



# **Doing Business in Belgium: A Country Commercial Guide for U.S. Companies**

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## Chapter 1: Doing Business In Belgium

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### Market Overview

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Belgium is a federal state composed of a central government, three regional governments (Flemish, Walloon and Brussels) and three different language communities (Dutch, French and German). The federal government is responsible for foreign affairs, national security, defense, taxes and issues relating to the European economic and monetary union, while the regions manage a wide variety of socio-economic matters. Under the evolving federal system, the responsibility for areas of interest to American business such as foreign trade, environment, investment regimes and incentives will increasingly become the responsibility of the regional governments.

Belgium is an outward looking country heavily reliant on trade. The country boasts tremendous infrastructure and is regarded as an ideal transit and distribution headquarters. The cosmopolitan and international nature of Belgium makes it an ideal European test market for American products and services. The domestic market is small enough that a huge commitment to a new product in Europe is not necessary, yet it is so diverse and competitive that it gives a representative sample of potential European and major international competitors. Both the Belgium government and its citizens support international commercial industries. The capital, Brussels, is home to the headquarters of the European Union (EU) and NATO, as well as hundreds of international institutions, associations and multinational corporations.

### Overview of the Belgium economy for 2006:

- According to the Organization for Economic Cooperation and Development (OECD), Belgium's GDP in 2006 grew by 2.9% over the previous year, whereas the Euro area grew by 2.6%. More than 85% of Belgium's GDP is export related. High domestic consumer spending also benefited the economy.
- Imports of goods and services grew by 3.0%
- Consumer prices increased by 2.4% (2.2% increase for the Euro area)
- Unemployment rose by 3.4%, to a rate of 8.6% (Euro area's rate was 7.9%)
- The government finished the financial year with a balanced budget for the sixth consecutive time.

**US Trade with Belgium 2005 (in millions of U.S. dollars)**

<u>Exports to Belgium</u>	<u>Imports from Belgium</u>	<u>Balance</u>
18,690.6	13,022.9	5,667.7

Source: U.S. Census Bureau, Foreign Trade Division,  
Data Dissemination Branch, Washington, DC 20233

**US Trade with Belgium 2006 (in millions of U.S. dollars)**

<u>Exports to Belgium</u>	<u>Imports from Belgium</u>	<u>Balance</u>
21,347.2	14,406.9	6,940.3

Source: U.S. Census Bureau, Foreign Trade Division,  
Data Dissemination Branch, Washington, DC 20233

**Belgium's Top Ten Worldwide Imports for the year ending August 2006 (in billions of Euros)**

Mineral fuels and oils	34.86
Vehicles (other than railway)	24.40
Nuclear reactors, boilers, machinery etc.	20.98
Pearls, precious stones and metals, jewelry, coins	12.35
Organic chemicals	12.25
Electrical machinery and equipment	12.20
Plastics and articles thereof	9.22
Iron and steel	7.41
Pharmaceutical products	6.25
Optical, photographic and medical instruments	4.76
<b>Total (all imports)</b>	<b>211.66</b>

Source: National Bank of Belgium

**Belgium's Top Ten Worldwide Exports the year ending August 2006 (in billions of Euros)**

Vehicles (other than railway)	28.77
Mineral fuels and oils	21.27
Nuclear reactors, boilers, machinery etc.	18.51
Plastics and articles thereof	18.48
Pearls, precious stones and metals, jewelry, coins	13.07
Iron and steel	12.68
Organic chemicals	10.86
Electrical machinery and equipment	10.22
Pharmaceutical products	10.04
Optical, photographic and medical instruments	3.80
<b>Total (all exports)</b>	<b>222.64</b>

Source: National Bank of Belgium

While market challenges vary with each sector, it is important to note that the below applies for all industries in Belgium:

- Belgian law defines the relationship between an American exporter and a Belgian distributor, including possible sub-distributors.
- Upon termination of a distribution agreement, either written or verbal, a Belgian distributor may have rights to compensation and damages. Belgian law will prevail even though a contract may specify otherwise.
- In examining various distribution channels, please note that EU law protects agents, while Belgian law protects distributors. American companies are strongly encouraged to seek competent local legal counsel in drawing up either an agency or a distribution agreement; a number of U.S. legal firms have branch offices in Belgium.

## Market Opportunities

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- **The Automotive Market** (526,141 new cars were registered in Belgium in 2006, representing an all-time record and an almost 10% increase over 2005) - Febiac, the Belgian car federation
- **The Generics Market** (the Belgian government is promoting generic drugs as one of its measures to limit the increase of pharmaceutical expenditure, which has doubled over the past 25 years and amounted to USD 4.7 billion in 2006) – Business Monitor International
- **The ICT Market** (the Belgian Information and Communications Technology, ICT, sector is growing faster than Belgium's national economy and combined with Luxembourg, enjoyed a turnover of USD 22.5 billion last year)
- **The Seafood Market** (Belgium relies heavily on imports—over 200,000 tons annually, and has an above average per capita consumption in relation to other European countries; increasing emphasis on high-quality prepared and frozen seafood)
- **The Interior Textiles Market** (In 2005, turnover for interior textiles was valued at USD 3.5 billion and represented a 42% share of the textile sector—the largest share; emphasis is on style, performance and high-quality fabrics)

## Market Entry Strategy

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U.S. exporters can penetrate the Belgian market through importers/distributors, wholesalers or specialized retailers, depending on their products and their company size. Interested U.S. exporters will have to focus on innovation and quality in addition to having competitive prices, despite the high transportation cost. For specific requests, firms can contact the Commercial Specialist at the U.S. Embassy Brussels for counseling and market entry strategies tailored to their products and services (see: [www.buyusa.gov/belgium](http://www.buyusa.gov/belgium))

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## **Chapter 2: Political and Economic Environment**

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2874.htm>

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### Using an Agent or Distributor

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Companies wishing to use distribution, franchising and agency arrangements need to ensure that the agreements they put into place are in accordance with EU and Member State national laws. Council Directive 86/653/EEC establishes certain minimum standards of protection for self-employed commercial agents who sell or purchase goods on behalf of their principals. In essence, the Directive establishes the rights and obligations of the principal and its agents; the agent's remuneration; and the conclusion and termination of an agency contract, including the notice to be given and indemnity or compensation to be paid to the agent. U.S. companies particularly should be aware that the Directive states that parties may not derogate certain requirements. Accordingly, the inclusion of a clause specifying an alternate body of law to be applied in the event of a dispute will likely be ruled invalid by European courts.

*Key Link:*

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

The European Commission's Directorate General for Competition enforces legislation concerned with the effects on competition in the internal market of such "vertical agreements." Most U.S. exporters are small- and medium-sized companies and are therefore exempt from the Regulations because their agreements likely would qualify as "agreements of minor importance," meaning they are considered incapable of affecting competition at the EU level but useful for cooperation between SMEs. Generally speaking, companies with fewer than 250 employees and an annual turnover of less than 50 million are considered small- and medium-sized undertakings. The EU has additionally indicated that agreements that affect less than 10 percent of a particular market are generally exempted as well (Commission Notice 2001/C 368/07).

*Key Link:*

[http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c\\_368/c\\_36820011222en00130015.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf)

The EU also looks to combat payment delays with Directive 2000/35/EC. This covers all commercial transactions within the EU, whether in the public or private sector, primarily dealing with the consequences of late payment. Transactions with consumers, however, do not fall within the scope of this Directive. In sum, the Directive entitles a seller who does not receive payment for goods/services within 30-60 days of the payment deadline to collect interest (at a rate of 7 percent above the European Central Bank rate) as compensation. The seller may also retain the title to goods until payment is completed and may claim full compensation for all recovery costs.

*Key Link:* [http://ec.europa.eu/comm/enterprise/regulation/late\\_payments/](http://ec.europa.eu/comm/enterprise/regulation/late_payments/)

## **Establishing an Office**

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In an effort to modernize and streamline the procedure of setting up a company or an office in Belgium, the Belgian Government established the "Crossroads Bank for Enterprises" (Banque Carrefour des Entreprises). The "Crossroads Databank of Enterprises" is a unique repository that assigns business entities with a unique identification number that replaces the social security number, its register of commerce number, its VAT number and the number granted by the national register of legal entities. Data is input a single time and all government entities share this database. The database tracks relevant identification details, such as the name, address, VAT number and business type. For third parties (including the administration), this number serves as the main identification number of the branch. It must therefore appear on all documents coming from the branch.

See:

[http://mineco.fgov.be/enterprises/crossroads\\_bank/home\\_enterprises\\_windows\\_en.htm](http://mineco.fgov.be/enterprises/crossroads_bank/home_enterprises_windows_en.htm) for further information.

Although possible to establish alone, CS Belgium can provide counseling and also maintains a list of American attorneys that can greatly facilitate the set-up. Incorporation normally takes six weeks.

Generally, no prior government authorization or business permit is required to start a business, with the exception of a few industries, such as:

- Banking
- Insurance
- Pharmaceuticals
- Broadcasting

When planning to open an office or set up a company in Belgium, U.S. companies should contact the Foreign Investment Offices of the Belgian region where they will locate. These offices will be able to provide support and advice on matters of tax, employment, location and accounting.

The national website, <http://www.invest.Belgium.be>, provides links to the three regions.

Brussels <http://www.investinbrussels.com>

Flanders <http://www.investinlanders.com>

Wallonia <http://www.investinwallonia.be>

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- Franchising represents 6% of all retail in Belgium compared with the European and American averages of 11% and 40%, respectively. This makes it, along with Denmark and Finland, one of the three smallest European countries in terms of franchise units per capita.
- Over the past 10 years the franchising of services has grown significantly. Services such as hotels, hairdressing and car maintenance have shown an important increase, while sub-sectors such as building maintenance services, security, car-washing, travel and tourism, express delivery, personnel training and accounting services are growing.
- The Belgium Franchise Federation (BFF) forecasts important growth over the coming years in both franchise units and franchise systems. By the end of 2007, the BFF estimates 11,000 new jobs will be created. This would include new franchise systems as well as development of existing ones. This growth will mainly affect the sectors of services and mostly the sub-sectors of DIY.

### **Below are some tips to carefully and effectively approach the Belgian market:**

- Any American franchiser interested in the Belgian Market should always contact the U.S. Commercial Service for advice and counseling before penetrating the market.
- It is also recommended for a franchiser to contact the Belgium Franchise Federation (B.F.F., [www.fbf-bff.be](http://www.fbf-bff.be)).
- American firms should not attempt to do business in Belgium without being fully counseled by a local legal expert.
- American franchisers should consider participating in the Belgian Franchise Fair held every year in February. For more information on this fair, please contact the Belgium Franchise Federation at [info@fbf-bff.be](mailto:info@fbf-bff.be)
- American companies should always hire an attorney before negotiating a franchise agreement. There are numerous well-qualified American and Belgian law firms throughout Belgium. For a list, please contact: [stephane.croigny@mail.doc.gov](mailto:stephane.croigny@mail.doc.gov).

*Key Link:* <http://www.eff-franchise.com>

## Direct Marketing

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## ***Introduction***

There is a wide range of EU legislation that impacts the direct marketing sector. Compliance requirements are stiffest for marketing and sales to private consumers. Companies need to focus, in particular, on the clarity and completeness of the information they provide to consumers prior to purchase, and on their approaches to collecting and using customer data. The following gives a brief overview of the most important provisions flowing from EU-wide rules on data protection, distance selling and on-line commerce. Companies are advised to consult the information available via the hyper-links, to check the relevant sections of national Country Commercial Guides, and to contact the Commercial Service at the U.S. Mission to the European Union for more specific guidance.

## ***Processing Customer Data***

The EU's general data protection Directive (95/46/EC) spells out strict rules concerning the processing of personal data. Businesses must tell consumers that they are collecting data, what they intend to use it for, and to whom it will be disclosed. *Data subjects* must be given the opportunity to object to the processing of their personal details and to opt-out of having them used for direct marketing purposes. This opt-out should be available at the time of collection and at any point thereafter. This general legislation is supplemented by specific rules set out in the "Directive on the processing of personal data and the protection of privacy in the electronic communications sector" (2002/58/EC). This requires companies to secure the prior consent of consumers before sending them marketing emails. The only exception to this opt-in provision is if the marketer has already obtained the intended recipient's contact details in the context of a previous sale and wishes to send them information on similar products and services.

*Key Link:* [http://ec.europa.eu/justice\\_home/fsj/privacy/law/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/law/index_en.htm)

## ***Transferring Customer Data to Countries Outside the EU***

The EU's general data protection Directive provides for the free flow of personal data within the EU but also for its protection when it leaves the region's borders. Personal data can only be transferred outside the EU if adequate protection is provided for it or if the unambiguous consent of the data subject is secured. The European Commission has decided that a handful of countries have regulatory frameworks in place that guarantee the adequate protection of data transferred to them – the United States is not one.

The Department of Commerce and the European Commission negotiated Safe Harbor to provide U.S. companies with a simple, streamlined means of complying with the adequacy requirement. It allows those U.S. companies that commit to a series of data protection principles (based on the Directive), and who publicly state that commitment by "self-certifying" on a dedicated website, to continue to receive personal data from the EU. Signing up is voluntary but the rules are binding on those who do. The ultimate means of enforcing Safe Harbor is that failure to fulfill the commitments will be actionable as an unfair and deceptive practice under Section 5 of the FTC Act or under a concurrent Department of Transportation statute for air carriers and ticket agents. While

the United States as a whole does not enjoy an adequacy finding, companies that join up to the Safe Harbor scheme will.

EU based exporters or U.S. based importers of personal data can also satisfy the adequacy requirement by including data privacy clauses in the contracts they sign with each other. The Data Protection Authority in the EU country from where the data is being exported must approve these contracts. To fast track this procedure the European Commission has approved sets of model clauses for personal data transfers that can be inserted into contracts between data importers and exporters. The most recent were published at the beginning of 2005. Most transfers using contracts based on these model clauses do not require prior approval. Companies must bear in mind that the transfer of personal data to third countries is a processing operation that is subject to the general data protection Directive regardless of any Safe Harbor, contractual or consent arrangements.

*Key Links:*     <http://www.export.gov/safeharbor/>  
                      [http://ec.europa.eu/justice\\_home/fsj/privacy/modelcontracts/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/modelcontracts/index_en.htm)

### ***Distance Selling Rules***

- Distance and Door-to-Door sales

The EU's Directive on distance selling to consumers (97/7/EC) set out a number of obligations for companies doing business at a distance with consumers. It can read like a set of onerous "do's" and "don'ts," but in many ways it represents nothing more than a customer relations good practice guide with legal effect. Direct marketers must provide clear information on the identity of themselves as well as their supplier, full details on prices including delivery costs, and the period for which an offer remains valid – all of this, of course, before a contract is concluded. Customers generally have the right to return goods without any required explanation within seven days, and retain the right to compensation for faulty goods thereafter.

Similar in nature is the Doorstep Directive (85/577/EEC) which is designed to protect consumers from sales occurring outside of a normal business premises (e.g., door-to-door sales) and essentially assure the fairness of resulting contracts.

*Key Link:* [http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/index_en.htm)

- Distance Selling of Financial Services

Financial services are the subject of a separate Directive that came into force in June 2002 (2002/65/EC). This piece of legislation amends three prior existing Directives and is designed to ensure that consumers are appropriately protected in respect to financial transactions taking place where the consumer and the provider are not face-to-face. In addition to prohibiting certain abusive marketing practices, the Directive establishes criteria for the presentation of contract information. Given the special nature of financial markets, specifics are also laid out for contractual withdrawal.

*Key Link:* [http://ec.europa.eu/consumers/cons\\_int/fina\\_serv/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/fina_serv/index_en.htm)

## ***Direct Marketing Over the Internet***

The e-commerce Directive (2000/31/EC) imposes certain specific requirements connected to the direct marketing business. Promotional offers must not mislead customers and the terms that must be met to qualify for them have to be easily accessible and clear. The Directive stipulates that marketing e-mails must be identified as such to the recipient and requires that companies targeting customers on-line must regularly consult national opt-out registers where they exist. When an order is placed, the service provider must acknowledge receipt quickly and by electronic means, although the Directive does not attribute any legal effect to the placing of an order or its acknowledgment. This is a matter for national law. Vendors of electronically supplied services must also collect value added tax (VAT).

Key Link: [http://ec.europa.eu/internal\\_market/e-commerce/index\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/index_en.htm)

### **Joint Ventures/Licensing**

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In addition to the Commercial Service, there are numerous banks, professional organizations, service companies, and financial organizations that are prepared to advise and assist parties considering joint ventures and licensing. Belgium has a very sophisticated business community with many qualified, potential joint venture and licensing partners. To learn more about Commercial Service assistance in these areas, see: [www.buyusa.gov/belgium](http://www.buyusa.gov/belgium).

### **Selling to the Government**

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The EU public procurement market, including EU institutions and Member States, totals around EUR 1,600 billion per year. This market is regulated by two EU Directives which apply for contracts above certain agreed thresholds. Under the agreed thresholds, each EU Member State has developed its own procurement law, which is not regulated by the EU public procurement Directives, although the general principles of the EU Treaty regarding non-discrimination and free movement of goods apply even below the thresholds. The two EU public procurement Directives are: Directive 2004/18 on Coordination of procedures for the award of public works, services and supplies contracts, and Directive 2004/17 on Coordination of procedures of entities operating in the Utilities sector, which covers water, energy, transport and postal services. Those Directives are implemented in each EU Member State's national procurement legislation. Two Remedies Directives outline the procedures that EU Member States ought to put in place in case of violation of the EU public procurement law: Directive 89/665 on the "Coordination of the laws, Regulations and administrative provisions relating to the application of review procedures to the award of public supply and public works contracts" for the classic sectors, and Directive 92/13 for remedies in the utilities sector.

Two proposals for new Directives, scheduled for 2007, are under discussion by EU institutions. First, a proposal for a new Remedies Directive, which would increase possibilities for aggrieved companies to complain in pre-contractual period, is being

discussed by the EU institutions. Second, a proposal for a Directive covering defense procurement would detail which particular less sensitive armaments procurement will be covered by EU Directives and which sensitive items will be allowed to benefit from an exemption of the law.

Most tenders from European public contracting authorities for public supplies whose value is above the agreed thresholds are open to U.S.-based companies by virtue of the WTO Government Procurement Agreement (GPA). The GPA allows U.S. firms to bid on all supplies and services and some construction works contracts above thresholds contracted by EU central public contracting authorities. However, there are restrictions for U.S. suppliers in the utilities sector both in the EU Utilities Directive and in the EU coverage of the GPA. The Utilities Directive allows EU contracting authorities in these sectors to either reject non-EU bids where the proportion of goods originating in non-EU countries exceeds 50% of the total value of the goods constituting the tender, or are entitled to apply a 3% price difference to non-EU bids in order to give preference to the EU bid. These restrictions are applied when no reciprocal access for EU companies in the U.S. market is offered.

The website of the U.S. Mission to the EU also has a database of all European public procurement tenders that are open to U.S.-based firms by virtue of the GPA. This database is free of charge, contains on average 6,000 to 10,000 tenders and is updated twice per week.

For more information, please see the website of the U.S. Commercial Service at the U.S. Mission to the European Union dedicated to procurement and the market research page which contains a handful of reports on EU tendering and government procurement.

*Key Links:* <http://www.buyusa.gov/europeanunion/euopportunities.html>  
<http://www.buyusa.gov/europeanunion/mrr.html>

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Belgium has a very well developed infrastructure and is regarded as an excellent transit and distribution center. Antwerp is Europe's second largest port; Liege is the third largest European river port. Belgium has the second most extensive canal network in Europe. The freight terminal at Brussels national airport is ranked as one of the top five cargo airports in Europe, with 702,819 metric tons shipped in 2005. The airport is only 15 minutes from the center of Brussels. There are also extensive, modern road and rail networks. Retail shops and department stores are located within a 10-mile radius of 91 percent of Belgian consumers.

The cultural, linguistic and economic differences of Belgium's three regions have a strong influence on how business is conducted. A good importer/distributor must be able to operate in all areas. Belgian distributors tend to be small and specialized. They do not have ready access to inexpensive capital and are somewhat risk averse. Consequently, they look for flexible payment terms of 30, 60, 90 and even 120 days; businesses typically pay within 60 days. The U.S. Commercial Service Belgium can provide assistance in locating an appropriate distributor. See: [www.buyusa.gov/belgium](http://www.buyusa.gov/belgium).

## **Selling Factors/Techniques**

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It is important to remember that Dutch, French, and German language divisions define consumer characteristics in the Belgian market. At the industrial level, where price and technical factors are usually paramount, the language issue is not particularly significant. At the consumer level, issues such as labeling and marketing strategies take on greater importance. In both cases, personal relationships between buyers and sellers can be influenced by language, so it is important to carefully check whether importers and distributors cover the entire Belgian market.

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In July 2003, the European Union (EU) started applying Value Added Tax (VAT) to sales by non-EU based companies of Electronically Supplied Services (ESS) to EU based non-business customers. U.S. companies that are covered by the rule change must collect and submit VAT to EU tax authorities. European Council Directive 2002/38/EC changed the EU rules for charging Value Added Tax.

U.S. businesses mainly affected by this rule change are those that are U.S. based and selling ESS to EU based, non-business customers or those businesses that are EU based and selling ESS to customers outside the EU who no longer need to charge VAT on these transactions.

There are a number of compliance options for businesses. The Directive created a special scheme that simplifies registering with each Member State. The Directive allows companies to register with a single VAT authority of their choice. Companies have to charge different rates of VAT according to where their customers are based but VAT reports and returns are submitted to just one authority. The VAT authority responsible for providing the single point of registration service is then responsible for reallocating the collected revenue among the other EU VAT authorities.

### *Key Links:*

[http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/e-services/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm)

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### ***General Legislation***

Laws against misleading advertisements differ widely from Member State to Member State within the EU. To respond to this imperfection in the Internal Market, the Commission adopted a Directive, in force since October 1986, to establish minimum and objective criteria regarding truth in advertising. The Directive was amended in October

1997 to include comparative advertising. Under the Directive, misleading advertising is defined as any "advertising which in any way, including its presentation, deceives or is likely to deceive the persons to whom it is addressed or whom it reaches and which, by reason of its deceptive nature, is likely to affect their economic behavior or which for those reasons, injures or is likely to injure a competitor." Member States can authorize even more extensive protection under their national laws. Comparative advertising, subject to certain conditions, is defined as "advertising which explicitly or by implication identifies a competitor or goods or services by a competitor." Member States can, and in some cases have, restricted misleading or comparative advertising.

The EU's Television without Frontiers Directive lays down legislation on broadcasting activities allowed within the EU. It is currently being reviewed to adapt to advances in internet, mobile phones and digital TV technologies. It partially lifts Regulations on advertising and product placement and proposes to ban advertising to children of food and drink. The new rules should be adopted in 2007.

Following the adoption of the 1999 Council Directive on the Sale of Consumer Goods and Associated Guarantees, product specifications, as laid down in advertising, are now considered as legally binding on the seller. (For additional information on Council Directive 1999/44/EC on the Sale of Consumer Goods and Associated Guarantees, see the legal warranties and after-sales service section of 4.4, below.)

The EU adopted Directive 2005/29/EC concerning fair business practices in a further attempt to tighten up consumer protection rules. These new rules will outlaw several aggressive or deceptive marketing practices such as pyramid schemes, "liquidation sales" when a shop is not closing down, and artificially high prices as the basis for discounts in addition to other potentially misleading advertising practices. Certain rules on advertising to children are also set out.

*Key Link:*

[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/fair\\_bus\\_pract/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm)

## ***Medicine***

The advertising of medicinal products for human use is regulated by Council Directive 2001/83/EC. Generally speaking, the advertising of medicinal products is forbidden if market authorization has not yet been granted or if the product in question is a prescription drug. Mentioning therapeutic indications where self-medication is not suitable is not permitted, nor is the distribution of free samples to the general public. The text of the advertisement should be compatible with the characteristics listed on the product label, and should encourage rational use of the product. The advertising of medicinal products destined for professionals should contain essential characteristics of the product as well as its classification. Inducements to prescribe or supply a particular medicinal product are prohibited and the supply of free samples is restricted.

The Commission plans to present a new framework for information to patients on medicines in 2007. The framework would allow industry to produce non-promotional information about their medicines while complying with strictly defined rules and would be subject to an effective system of control and quality assurance.

*Key Link:* [http://ec.europa.eu/eur-lex/pri/en/oj/dat/2001/l\\_311/l\\_31120011128en00670128.pdf](http://ec.europa.eu/eur-lex/pri/en/oj/dat/2001/l_311/l_31120011128en00670128.pdf)

### ***Food***

On July 16, 2003, the Commission adopted a proposal for a Regulation on nutrition and health claims made on foods (COM 2003/424) supplementing 2000/13/EC on the labeling, presentation and advertising of foodstuffs. The proposal is expected to be adopted by the end of 2006. The proposed Regulation would set rules on the use of language such as "low fat" and "light," among others. The proposal seeks to harmonize the rules for making claims throughout the EU and establish what nutrition and health claims are allowable.

*Key link:* [http://ec.europa.eu/comm/food/food/labelingnutrition/claims/index\\_en.htm](http://ec.europa.eu/comm/food/food/labelingnutrition/claims/index_en.htm)

### ***Food Supplements***

Directive 2002/46/EC establishes rules relating to the labeling of food supplements and the maximum levels of vitamins and minerals in particular. In Summer 2007, the European Commission will evaluate if items other than minerals and vitamins need to be included in this Directive.

*Key link:* [http://ec.europa.eu/food/food/labellingnutrition/supplements/index\\_en.htm](http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm)

### ***Tobacco***

The EU Tobacco Advertising Directive bans tobacco advertising in printed media, radio, internet and sponsorship of cross-border events or activities. Advertising in cinemas and on billboards or merchandising is allowed though these are banned in many Member States. Tobacco advertising on television has been banned in the EU since the early 1990s, and is governed by the TV Without Frontiers Directive.

*Key link:* [http://ec.europa.eu/health/ph\\_determinants/life\\_style/Tobacco/tobacco\\_en.htm](http://ec.europa.eu/health/ph_determinants/life_style/Tobacco/tobacco_en.htm)

## **Pricing**

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Belgium is a highly competitive market and therefore the Belgian importer is looking for the best quality at the lowest price. American products and technology are highly regarded but they do not command higher prices than comparable products. One must consider that while Belgium is an important market in its own right, it is also the country of entry for many imports from many countries with destinations throughout Europe. This environment gives Belgian buyers access to a wide range of products at competitive prices in their own market.

U.S. companies are advised to quote prices on a Cost Insurance Freight (CIF) basis,



surface or airfreight. This is standard practice for most exporters since it facilitates price comparison between EU suppliers. Import duties are usually quoted on a delivered warehouse basis.

## **Sales Service/Customer Support**

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Conscious of the discrepancies among Member States in product labeling, language use, legal guarantee, and liability, the redress of which inevitably frustrates consumers in cross-border shopping, the EU institutions have launched a number of initiatives aimed at harmonizing national legislation. Suppliers within and outside the EU should be aware of existing and upcoming legislation affecting sales, service, and customer support.

### ***Product Liability***

Under the 1985 Directive on liability of defective products, amended in 1999, the producer is liable for damage caused by a defect in his product. The victim must prove the existence of the defect and a causal link between defect and injury (bodily as well as material). A reduction of liability of the manufacturer is granted in cases of negligence on the part of the victim.

*Key link:*

[http://ec.europa.eu/comm/consumers/cons\\_safe/prod\\_safe/defect\\_prod/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_safe/prod_safe/defect_prod/index_en.htm)

### ***Product Safety***

The 1992 General Product Safety Directive introduces a general safety requirement at the EU level to ensure that manufacturers only place safe products on the market. It was revised in 2001 to include an obligation on the producer and distributor to notify the Commission in case of a problem with a given product, provisions for its recall, the creation of a European Product Safety Network, and a ban on exports of products to third countries which are not deemed safe in the EU.

*Key link:* [http://ec.europa.eu/comm/consumers/cons\\_safe/prod\\_safe/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_safe/prod_safe/index_en.htm)

### ***Legal Warranties and After-sales Service***

Under the 1999 Directive on the Sale of Consumer Goods and Associated Guarantees, professional sellers are required to provide a minimum two-year warranty on all consumer goods sold to consumers (natural persons acting for purposes outside their trade, businesses or professions), as defined by the Directive. The remedies available to consumers in case of non-compliance are:

- repair of the good(s);
- replacement of the good(s);
- a price reduction; or
- rescission of the sales contract.



*Key link:*

[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/guarantees/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm)

Other issues pertaining to consumers' rights and protection, such as the New Approach Directives, CE marking, quality control and data protection are dealt with in Chapter 5 of this report.

## **Protecting Your Intellectual Property**

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### ***Copyright***

The EU's legislative framework for copyright protection consists of a series of Directives covering areas such as the legal protection of computer programs, the duration of protection of authors' rights and neighboring rights, and the legal protection of databases. Almost all Member States have fully implemented the rules into national law; and the Commission is now focusing on ensuring that the framework is enforced accurately and consistently across the EU.

The on-line copyright Directive (2001/29/EC) addresses the vexed problem of protecting rights holders in the online environment while protecting the interests of users, ISPs and hardware manufacturers. It guarantees authors' exclusive reproduction rights with a single mandatory exception for technical copies (to allow caching), and an exhaustive list of other exceptions that individual Member States can select and include in national legislation. This list is meant to reflect different cultural and legal traditions, and includes private copying "on condition right holders receive fair compensation."

*Key Link:* [http://ec.europa.eu/internal\\_market/copyright/index\\_en.htm](http://ec.europa.eu/internal_market/copyright/index_en.htm)

### ***Patents***

EU countries have a "first to file" approach to patent applications, as compared to the "first to invent" system followed in the United States. This makes early filing a top priority for innovative companies. Unfortunately it is not yet possible to file for a single EU-wide patent that would be administered and enforced like the Community Trademark (see below). For the moment the most effective way for a company to secure a patent across a range of EU national markets is to use the services of the European Patent Office (EPO) in Munich. It offers a one-stop-shop that enables rights holders to get a bundle of national patents using a single application. However these national patents have to be validated, maintained and litigated separately in each Member State. EPO's web site is <http://www.european-patent-office.org/>.

*Key Link:* [http://ec.europa.eu/internal\\_market/indprop/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/index_en.htm)

### ***Trademarks***

The EU-wide Community Trademark (CTM) can be obtained via a single language application to the Office of Harmonization in the Internal Market (OHIM) in Alicante,

Spain. It lasts ten years and is renewable indefinitely. For companies looking to protect trademarks in three or more EU countries the CTM is a more cost effective option than registering separate national trademarks. On October 1, 2004, the European Commission (EC) acceded to the World Intellectual Property Organization (WIPO) Madrid Protocol. The accession of the EC to the Madrid Protocol establishes a link between the Madrid Protocol system, administered by WIPO, and the Community Trademark system, administered by OHIM. As of October 1, 2004, Community Trademark applicants and holders are allowed to apply for international protection of their trademarks through the filing of an international application under the Madrid Protocol. Conversely, holders of international registrations under the Madrid Protocol will be entitled to apply for protection of their trademarks under the Community Trademark system.

*Key Links:*     <http://oami.eu.int/en/default.htm>  
                      <http://www.wipo.int/madrid/en>

### ***Designs***

The EU adopted a Regulation introducing a single Community system for the protection of designs in December 2001. The Regulation provides for two types of design protection, directly applicable in each EU Member State: the registered Community design and the unregistered Community design. Under the registered Community design system, holders of eligible designs can use an inexpensive procedure to register them with the EU's Office for Harmonization in the Internal Market (OHIM), based in Alicante, Spain. They will then be granted exclusive rights to use the designs anywhere in the EU for up to twenty-five years. Unregistered Community designs that meet the Regulation's requirements are automatically protected for three years from the date of disclosure of the design to the public.

*Key Links:*     <http://oami.eu.int/en/design/default.htm>

### ***Trademark Exhaustion***

Within the EU, the rights conferred on trademark holders are subject to the principle of "exhaustion." Exhaustion means that once trademark holders have placed their product on the market in one Member State, they lose the right to prevent the resale of that product in another EU country. This has led to an increase in the practice of so called "parallel importing" whereby goods bought in one Member State are sold in another by third parties unaffiliated to the manufacturer. Parallel trade is particularly problematic for the research-based pharmaceutical industry where drug prices vary from country to country due to national price Regulation. Community wide exhaustion is spelled out in the Directive on harmonizing trademark laws. In a paper published in 2003, the Commission indicated that it had no plans to propose changes to existing legal provisions.

*Key Link:* [http://ec.europa.eu/internal\\_market/indprop/tm/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/tm/index_en.htm)

To assist companies to conduct due diligence prior to entering into a financial or other agreement, the Commercial Service recommends that the U.S. firm contact a company that offers commercial information reports. CS Belgium also offers a service known as the International Company Profile report. For more information contact us at [brussels.office.box@mail.doc.gov](mailto:brussels.office.box@mail.doc.gov)

## Local Professional Services

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A wide variety of service providers is available to support U.S. companies doing business in the European Union (EU), from the largest global firms to small niche players. The U.S. Commercial Service EU website (see below) lists various professional service providers and additional information is available upon request.

*Key link:* <http://www.buyusa.gov/europeanunion/services.html>

Also, see EU Member State Country Commercial Guides which can be found at the following website:  
[http://www.buyusainfo.net/adsearch.cfm?search\\_type=int&loadnav=no](http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no)

## Web Resources

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EC Directive on Commercial Agents

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31986L0653:EN:HTML>

Guidelines on “Vertical Agreements”

[http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c\\_368/c\\_36820011222en00130015.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2001/c_368/c_36820011222en00130015.pdf)

EC Directive on Late Payments

[http://ec.europa.eu/comm/enterprise/regulation/late\\_payments/](http://ec.europa.eu/comm/enterprise/regulation/late_payments/)

EC on Data Protection

[http://ec.europa.eu/justice\\_home/fsj/privacy/law/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/law/index_en.htm)

Safe Harbor

<http://www.export.gov/safeharbor/>

Model Contracts for the transfer of personal data

[http://ec.europa.eu/justice\\_home/fsj/privacy/modelcontracts/index\\_en.htm](http://ec.europa.eu/justice_home/fsj/privacy/modelcontracts/index_en.htm)

Ensuring safe shopping across the EU

[http://ec.europa.eu/consumers/cons\\_int/safe\\_shop/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/safe_shop/index_en.htm)

Financial services

[http://ec.europa.eu/consumers/cons\\_int/fina\\_serv/index\\_en.htm](http://ec.europa.eu/consumers/cons_int/fina_serv/index_en.htm)

Electronic commerce

[http://ec.europa.eu/internal\\_market/e-commerce/index\\_en.htm](http://ec.europa.eu/internal_market/e-commerce/index_en.htm)

European public procurement tenders open to U.S. companies  
[http://www.buyusa.gov/europeanunion/eu\\_tenders.html](http://www.buyusa.gov/europeanunion/eu_tenders.html)

Procurement  
<http://www.buyusa.gov/europeanunion/euopportunities.html>

EU Tenders Website  
<http://ted.europa.eu>

Market Research Reports  
<http://www.buyusa.gov/europeanunion/mrr.html>

eVAT  
[http://ec.europa.eu/taxation\\_customs/taxation/vat/how\\_vat\\_works/e-services/index\\_en.htm](http://ec.europa.eu/taxation_customs/taxation/vat/how_vat_works/e-services/index_en.htm)

EC Internal Markets official documents  
[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/fair\\_bus\\_pract/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/fair_bus_pract/index_en.htm)

Medicinal products for human use  
[http://ec.europa.eu/eur-lex/pri/en/oj/dat/2001/l\\_311/l\\_31120011128en00670128.pdf](http://ec.europa.eu/eur-lex/pri/en/oj/dat/2001/l_311/l_31120011128en00670128.pdf)

Food labeling  
[http://ec.europa.eu/comm/food/food/labellingnutrition/claims/index\\_en.htm](http://ec.europa.eu/comm/food/food/labellingnutrition/claims/index_en.htm)

Food Supplements  
[http://ec.europa.eu/food/food/labellingnutrition/supplements/index\\_en.htm](http://ec.europa.eu/food/food/labellingnutrition/supplements/index_en.htm)

Tobacco  
[http://ec.europa.eu/health/ph\\_determinants/life\\_style/Tobacco/tobacco\\_en.htm](http://ec.europa.eu/health/ph_determinants/life_style/Tobacco/tobacco_en.htm)

Liability of defective products  
[http://ec.europa.eu/comm/consumers/cons\\_safe/prod\\_safe/defect\\_prod/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_safe/prod_safe/defect_prod/index_en.htm)

Safety of products  
[http://ec.europa.eu/comm/consumers/cons\\_safe/prod\\_safe/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_safe/prod_safe/index_en.htm)

Sale of goods and guarantees  
[http://ec.europa.eu/comm/consumers/cons\\_int/safe\\_shop/guarantees/index\\_en.htm](http://ec.europa.eu/comm/consumers/cons_int/safe_shop/guarantees/index_en.htm)

Copyright and Neighboring Rights  
[http://ec.europa.eu/comm/internal\\_market/copyright/index\\_en.htm](http://ec.europa.eu/comm/internal_market/copyright/index_en.htm)

European Patent Office  
<http://www.european-patent-office.org/>

Industrial property  
[http://ec.europa.eu/internal\\_market/indprop/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/index_en.htm)

Office for Harmonization in the Internal Market (OHIM)

<http://oami.eu.int/en/default.htm>

WIPO Madrid System

<http://www.wipo.int/madrid/en>

OHIM Community Design

<http://oami.eu.int/en/design/default.htm>

Exhaustion of trademark rights

[http://ec.europa.eu/internal\\_market/indprop/tm/index\\_en.htm](http://ec.europa.eu/internal_market/indprop/tm/index_en.htm)

Professional service providers

<http://www.buyusa.gov/europeanunion/services.html>

EU Member State Country Commercial Guide

[http://www.buyusainfo.net/adsearch.cfm?search\\_type=int&loadnav=no](http://www.buyusainfo.net/adsearch.cfm?search_type=int&loadnav=no)

***Other useful websites:***

The EU Online

[http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm)

European Commission

[http://ec.europa.eu/index\\_en.htm](http://ec.europa.eu/index_en.htm)

EU Press Room

[http://ec.europa.eu/press\\_room/index\\_en.htm](http://ec.europa.eu/press_room/index_en.htm)

The EU in the World

<http://ec.europa.eu/comm/world/>

EU Relations with the US

[http://ec.europa.eu/comm/external\\_relations/us/intro/index.htm](http://ec.europa.eu/comm/external_relations/us/intro/index.htm)

DG Trade

[http://ec.europa.eu/trade/index\\_en.htm](http://ec.europa.eu/trade/index_en.htm)

DG Enterprise

[http://ec.europa.eu/enterprise/index\\_en.htm](http://ec.europa.eu/enterprise/index_en.htm)

EUR- Lex – Portal to EU law

<http://ec.europa.eu/eur-lex/en/index.html>

Eurostat – EU Statistics

[http://epp.eurostat.ec.europa.eu/portal/page?\\_pageid=1090,30070682,1090\\_33076576&\\_dad=portal&\\_schema=PORTAL](http://epp.eurostat.ec.europa.eu/portal/page?_pageid=1090,30070682,1090_33076576&_dad=portal&_schema=PORTAL)

Summaries of EU Legislation – SCAD PLUS

[http://ec.europa.eu/scadplus/scad\\_en.htm](http://ec.europa.eu/scadplus/scad_en.htm)

One Stop Internet Shop for Business

[http://ec.europa.eu/youreurope/index\\_en.html](http://ec.europa.eu/youreurope/index_en.html)

Euro Info Centers

<http://ec.europa.eu/enterprise/networks/eic/eic.html>

AmCham EU

<http://www.eucommittee.be/>

### ***EU News Sources:***

EurActiv.com – EU news, policy positions & EU actors online

<http://www.euractiv.com/en/HomePage>

EUObserver

<http://euobserver.com/>

EU Politix

<http://www.eupolitix.com/EN/>

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## **Chapter 4: Leading Sectors for U.S. Export and Investment**

### **Commercial Sectors**

- [Aerospace](#)
- [Automotive](#)
- [Energy](#)
- [Environmental Technologies](#)
- [Information and Communications Technology \(ICT\)](#)
- [Pharmaceuticals](#)
- [Safety/Security](#)
- [Travel and Tourism](#)
- [Textiles](#)
- [Food](#)

Showcase Europe provides U.S. exporters a broad perspective on Europe. Organized around eight key sectors with the greatest market potential for U.S. exporters, Showcase Europe provides a framework for coordination and cooperation among the U.S. Department of Commerce's U.S. Commercial Service offices throughout Europe. Sectors include aerospace, automotive, energy/power generation, environmental technologies, information and communication technologies, medical and pharmaceutical, safety/security, and travel and tourism.

In addition, the Quicktake Program provides an overview of market potential for a U.S. company's products from market specialists across Europe. Surveys cover current and future demand, competition, and suggested next steps.

*Key Links:*     <http://www.buyusa.gov/europe>  
                      <http://www.buyusa.gov/quicktake>

## Aerospace

### Overview

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U.S. Exports to Belgium (in thousands US \$)	2003	2004	2005
Civilian aircraft	108,266	19,107	40,642
Parts-civilian aircraft	78,071	79,448	57,308
Engines-civilian aircraft	20,822	100,709	163,443
Spacecraft, excluding military	11	10	0
Military aircraft, complete	0	0	0
Aircraft launching gear, parachutes, etc.	311	249	3,227
Engines and turbines for military aircraft	33,431	26,962	41,427
<b>TOTAL</b>	<b>240,912</b>	<b>226,485</b>	<b>306,047</b>
<b>TOTAL U.S. EXPORTS TO BELGIUM</b>	<b>15,236,054</b>	<b>16,871,133</b>	<b>18,604,645</b>

Source: U.S. Census Bureau

The Belgian aerospace industry is a small but diverse sector that boasts several market leaders. The sector represents about 2% of the E.U.'s total market share, but covers all aerospace segments from airframes and engines to equipment and maintenance. Large enterprises and SME's are currently involved in various international programs, e.g., the Airbus 350XM, 380 and 400M and the Boeing 787. The Belgian Aerospace market is experiencing a revival after yearly declines since 2000. In conjunction with this renewal, U.S. exports are also increasing after many years. Both military and commercial aircraft are the drivers of this new growth. As a result, there are numerous lucrative potential partnerships for the U.S. sector to enter into. The Belgian government acknowledges the importance of a national aerospace industry and supports Belgian companies in their pursuit to participate in international programs. Many of these companies are original equipment and subsystem manufacturers.

### Best Products/Services

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Belgian airline companies (SN Brussels airlines) are profitable again and the military combat (F-16) and carrier aircraft (C-130H) are continuously being enhanced. Moreover, several Belgian companies are participating in international programs such as the A400M, A380, A350 and the Boeing 787. Original equipment manufacturers and MRO companies have long-term international relationships with top defense contractors, integrators and commercial aircraft makers, ensuring market continuity for U.S. suppliers. The rise of U.S. exports in civilian aircraft and engines and military aircraft, turbines and engines demonstrates that both of these market niches are growing concurrently.



## Opportunities

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The recent market revival combined with the U.S. industry's close ties to and dependence on the Belgian MRO's and military manufacturing/research companies is a stronger factor. The U.S. industry has been at the forefront of the market for years, has participated in the Belgian MRO and has supplied spare parts for fuselages, engines and everything in between. The Flanders and Wallonia regions responsible for trade, economic development, R&D incentives and programs, identified the aerospace sector as being a leading sector of the future. The ministers of both regions in charge of aerospace consider it a key pillar in their short and long-term economic plans. Moreover, companies that start manufacturing, distribution and/or R&D activities are entitled to financial aid.

## Resources

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*Industry Associations:*

### **Belgian Aerospace Industries - GEBECOMA**

*The Belgian aerospace products manufacturers' association*

Building 706 box 67

B-1931 Brucargo

Tel: +32 2 753.56.13

Fax: +32 2 757.18.25

E-mail: [vanhecke@gebecoma.org](mailto:vanhecke@gebecoma.org)

[www.gebecoma.org](http://www.gebecoma.org)

### **Flemish Aerospace Group – FLAG**

*The Flemish regional association of manufacturers of aerospace products*

Airport Business Centre

Vosstraat 343

B-2100 Deurne/Antwerpen

Tel: +32 3 2946853

Fax: +32 3 2946856

E-mail: [info@flag.be](mailto:info@flag.be)

[www.flag.be](http://www.flag.be)

### **Entreprises Wallonnes de l'Aeronautique – EWA**

*The Walloon regional association of manufacturers of aerospace products*

Chemin du Stockoy 3

B-1300 WAVRE

Tel: +32 10.47.19.44

Fax: +32 10 45.33.43

E-mail: [pierre-manuel.jacob@uwe.be](mailto:pierre-manuel.jacob@uwe.be)

[www.ewa.be](http://www.ewa.be)

### **Agoria Aerospace**

*The association of the Belgian Aerospace Security & Defence Industry, representing companies active in defense and aerospace-related sectors. The group is part of the much larger AGORIA multi-sector federation.*

Diamant Building

Boulevard A. Reyers Laan 80  
B-1030 Brussels  
Tel: + 32 2 706 79 50  
Fax: + 32 2 706 79 52  
E-mail: [jc.lacroix@agoria.be](mailto:jc.lacroix@agoria.be)  
[www.agoria.be](http://www.agoria.be)

*US Government:*

**Federal Aviation Administration**

*FAA's head office for Europe, Africa and the Middle East*

Wetstraat 15,  
B-1040 Brussels  
Tel.: +32-2-508-2731  
Fax: +32-2-230-0642  
[www.faa.gov](http://www.faa.gov)

**For More Information**

U.S. Commercial Service in Brussels, Belgium via e-mail at:

[stein.cleemput@mail.doc.gov](mailto:stein.cleemput@mail.doc.gov)

Phone: +32 2 508

2496; Fax: + 32 2 512 36 44, or visit our website: [www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

## **Auto Accessories and Specialty Equipment**

### **Overview**

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The Belgian auto accessories market holds significant opportunities for American companies. While five million vehicles in Belgium represent a small market, relative to the U.S., it is open to American products. The most important consideration for American exporters to keep in mind in creating auto-related goods for the European market is that design must fit European specifications and style. Consideration must also be given to the size and structure of vendors in the market. Sales volumes and freight terms often required by American suppliers create obstacles to enter the Belgian market. Typically, a full sea container load may be too big for initial orders.

### **Best Prospects/Services**

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There is no shortage of interest or willingness to buy new and innovative products. The key to successful accessory sales is in understanding the style and needs specific to the European market. The youth market appears to have the greatest potential for accessory market growth; car purchases by younger drivers are on the rise. Due to their income bracket however, more often cars purchased are previously owned. Used car purchases open up other opportunities designed for new owners to customize a used vehicle to define it as "new to them". The youth style of customizing/accessorizing differs from professional or family preferences. Furthermore, Belgian youth styles differ from American youth styles. For instance, exterior adornments are popular, but rarely are they overtly prominent. In addition, demand for security systems is also high and evolving.

### **Opportunities**

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American brands have a solid reputation in Belgium, yet the market presence of American auto accessories is very low. This situation is not due to lack of demand but rather lack of supply. For auto accessories produced outside of Europe, Belgian vendors are often unable to meet the minimum quantities that American suppliers require. This hurdle can be overcome by consolidating cargo for two or more consignees, for example, to a single logistics center in the Benelux region.

### **Resources**

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1. Host Government  
Ministry of Transportation  
56 Rue du Progres  
1210 Brussels, Belgium  
Tel: 32/2/277-3658  
Fax: 32/ 2/277-4048  
Contact: Mr. Pierre Loise, Director of Land Transportation  
This agency is responsible for type approvals and registration of vehicles.  
FEDERAUTO  
Boulevard de la Woluwe 46

B-1200 Brussels, Belgium

Tel. 32/2/778-6200

Fax. 32/2/778-6222

Contact: Ms. Chantal Charbonnier

Mr. Luc Missante

This is a vertically integrated Belgian trade association, created by the merger of most of the vehicle industry groups. Federauto represents over 16,000 businesses employing 86,000 workers and organizes "Autotechnica," Belgium's trade fair on the automotive industry (see section K, Main Trade Events). The Association publishes a trade magazine, also called "Autotechnica" (see: paragraph "Trade Publications, further in this report).

FABRIMETAL(now part of Agoria)

Bd A. Reyers Ln80

B-1030 Brussels, Belgium

Tel. 32/2/706-7800

Fax. 32/2/706-7801

Contact: Mr. Luc de Vochte

This is the Belgian metalworking industry association with some 1,300 members, including companies manufacturing auto parts. Its assistance is invaluable for companies wishing to establish a manufacturing facility or locating licensees or joint-venture partners in Belgium.

ANPI/NVBB

Parc Scientifique Fleming

1348 Louvain-la-Neuve, Belgium

Tel: 32/10/475-211

Fax: 32/10/475-270

This is a non-profit laboratory set up by Belgium's insurance industry for the purpose of testing and certifying safety and security products and equipment, such as anti-theft devices. Insurance companies accept to cover car theft of certain brands provided these vehicles are equipped with ANPI certified systems, installed by licensed professionals

## 2. Main importers and distributors

Krautli

Industrielaan 15

B-1702 Dilbeek, Belgium

Tel. 32/2/481-7200

Fax. 32/2/466-5560

Contact: Mr. Michel Krautli

This company imports and distributes car accessories.

AUTO-5

Paepsem Business Park

Bld Paepsmlaan20

1070 Anderlecht

Tel: 32/2/525-8530

Fax: 32/2/525-8549

Contact: Mr. Bill Olivier

E-mail: [auto5info@norauto.fr](mailto:auto5info@norauto.fr)

Norauto/Auto 5

Rue du Fort

BP 225

59812 Lesquin Cedex

France

Tel: 33/3/20 60 74 74

AUTO-5 is Belgium's largest auto accessories retailer, and a subsidiary of Norauto, a large French retailer. Auto 5 operates 45 outlets. Auto 5's parts and accessories stores are coupled with quick service maintenance shops (services which are usually provided in 1 hour or less) for mufflers, tires, breaks, alignment, shocks and tuning. AUTO-5 imports to support its own operations as well as for the retail market, however most purchases come through intermediate local importers. AUTO-5 offers the largest range available of do-it-yourself automotive products. This should be the first stop for U.S. exporters exploring the market in Belgium for in-car entertainment and accessories. AUTO 5 is the local trendsetter and is eager to buy innovative products. However, U.S. exporters should be prepared to initially quote on and ship smaller volumes than they are accustomed to, as well as to quote prices CIF AUTO 5's warehouse in Antwerp.

ADB (AutoDistribution Belgium)

Brusselsesteenweg 6, box 2

3020 Herent, Belgium

Tel: 32/16/232-801

Fax: 32/16/238-981

Contact: Mr. Wim Goossens, Marketing Mgr.

Mr. Luc Vanbever, General Mgr.

This is a group of 20 large retailers of automotive parts and accessories that jointly source their products.

Matro

Atealaan 65

B-2200 Herentals, Belgium

Tel: 32/1/428-6444

Fax: 32/1/428-6440

Contact: Mr. Guy Embrechts, Manager

This company imports and distributes truck accessories.

Car Mania

Ch. De Waterloo 1482

1020 Brussels

Tel: 32/2/375-4864

Fax: 32/2/479-9487

Auto Sporting Center

Leuvensesteenweg 539

1030 Brussels

Tel: 32/2/735-5896

Fax: 32/2/732-5573

Midas

Potvlietlaan 6

2600 Berchem

Tel. 32/3/286-8350

Fax. 32/3/286-8359

Contact: Mr. Vanmoppens, Operations Manager

This U. S. owned company specializes in quick services such as oil changes, as well as replacement of tires, mufflers and shocks. It operates 50 outlets in Belgium.

Speedy

Ch. de Zellik 25-27

1180 Brussels

Tel: 33/1/41 20 30 40

Fax: 33/1/41 20 38 90

2/16/2007

Contact: Mr. Jean-Michel Cheurlot, Purchase Director, Speedy-Europe, France. Speedy operates 25 shops in Belgium, out of a total of 500 for all of Europe. Speedy provides quick services for oil changes, replacement of oil and air filters, mufflers, tires, shocks, bulbs, tuning of ignition and emission control.

#### JET

Medialaan 50

1800 Vilvoorde

Tel: 32/2/254-1511

Fax: 32/2/254-1671

Contact: Mr. Corluy, Director of JET Shops

This company operates a network of 156 gas stations, including service shops.

#### Shell

Avenue Fraiteurlaan 15.23

B-1050 Brussels

Tel: 32/2/508-9111

Fax: 32/2/511-0571

Contact: Mr. Polis

This company operates a network of 282 gas stations including shops.

#### Texaco

Frateurlaan 27

1050 Brussels, Belgium

Tel: 32/2/639-9611

Fax: 32/2/639-9511

Contact: Mr. Michel Doiam, Purchase Mgr.

This company operates a network of 300 gas stations including shops

#### 3. Trade Shows

##### "AUTOTECHNICA"

Blvd. de la Woluwe 46, Box 9

B-1200 Brussels, Belgium

Contact: Mr. Klaus Van Cauwenberghe

Tel. 32/2/778-6200

Fax. 32/2/778-6222

"Autotechnica" is a monthly periodical detailing market opportunities, international business proposals, and new products. Their circulation is 32,000 and it is published in both French and Dutch; it has an advertising section, free of charge and new business proposals from abroad. Ads in English are welcome.

##### AUTOTECHNICA SHOW

Next event: April 2008

Blvd. de la Woluwe 46, Box 9

B-1200 Brussels, Belgium

Contact: Mr. Klaus Van Cauwenberghe

Tel. 32/2/778-6200

Fax. 32/2/778-6222

This is the only show in Belgium for automotive parts, accessories and repair equipment. The next event is likely to take place in April of 2008. Participants as well as visitors from outside of Belgium are mainly from Holland, and to a lesser extent, from Germany, France, the UK and Italy.

Exhibit area: 451,286 square feet

Number of participants: 200, representing 14,282 brands

Number of visitors: 25.319, of which 93% professionals.

##### AUTOMECHANIKA

Venue: Frankfurt  
Contact: Messe Frankfurt, Inc.  
1600 Parkwood Circle Ste. 515  
Atlanta, GA 30339  
Tel: (770) 984-8016  
Fax: (770) 984-8023

This is Europe's largest trade fair for automotive products, held every two years. It is comparable in size and scope to the APAA/ASIA/MEMA show in Las Vegas. However, Automechanica is vastly more international. Its next event is September 2006.

Exhibit area: 2.5 million square feet.

Number of exhibitors: 2,800, of which 10% are American.

Number of visitors: 250,000.

The US Department of Commerce organizes US pavilions and other forms of participation at Automechanica. There are now also "Showcase Europe" programs including briefings by USDOC trade specialists from several European countries, consolidated market research reports and seminars on regulatory matters. For more information on Showcase Europe programs at Automechanica, contact:

Natasha Keylard, Trade Specialist

U.S. Embassy - Commercial Service

Lange Voorhout 102 2514 EJ Den Haag, Netherlands

Tel: 31/70/310-2416

Fax: 31/70/362-2985

Email: [Natasha.keylard@mail.doc.gov](mailto:Natasha.keylard@mail.doc.gov)

### For More Information

The U.S. Commercial Service in Belgium can be contacted via e-mail at:

[stephane.croigny@maildoc.gov](mailto:stephane.croigny@maildoc.gov); Phone: +32 (0)2 508 2456; Fax: +32 (0)2 512 6653; or visit our website: [www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

## Energy Market

### Overview

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Currently, several shifting factors influence the rapidly changing Belgian energy market amongst others, the continuing process of de-regulation and liberalization, the discussion on phasing or non-phasing out of nuclear energy (with consequences for the structure of electricity production and possible impact on renewable energy methods), the changing structure of the country's energy distribution, the new Belgian power exchange, cross-border trade and the several fusions of companies. U.S. companies wanting to export to the Belgian energy market obviously have to be aware and take into account these uncertain or changing factors, which will determine the purchasing policy in Belgium.

### Best Prospects/Services

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- Providing support services and equipment to the power generation market

- Active in the fields of renewable and sustainable energy and energy efficiency technologies/equipment. Also, U.S. service companies who could stimulate efficient use of energy through training energy audits or analytical accountancy will be in demand. In this context, the Regulation Committee for Gas and Electricity (CREG) submitted a proposal for an indicative power generation program in 2004-2014, stating that the capacities to be invested in the period 2005-2014 amount to 1,729 MW in renewable energy sources and 1,749 MW in qualitative co-generation. In this same proposal, by 2014, decisions are recommended on investments in eight units using combined steam and gas cycles (CCGT plants) of 400 MW and four gas turbines with open cycles (GT) of 80 MW. First GT units are expected to come into operation in 2008 and first CCGT unit in 2009—so decisions and information on this should be taken over the next three years. Active in conversion of electricity generation plants and construction of CCGT units. Two 2004 proposals of CREG resulting in ministerial decrees have granted Electrabel the authorization for the conversion of the electricity generation plant in Doel, and authorization for Essent Energie for construction of a cogeneration plant to generate electricity and steam on the INEOS site. In August 2005, an authorization was granted to SPA regarding the construction of two open-cycle gas turbines on the Ham site in Ghent. At the end of 2005, authorization applications pending are SPE's CCGT unit in Angleur, T-Power's application for the construction of a new CCGT unit in Tessenderlo and Electrabel's application for an adaptation of an existing conventional unit in Amercoeur into a CCGT unit with a greater capacity.
- Active in energy trading, electricity and gas.
- Active in nuclear energy. In an interview to Flemish daily *De Tijd* in November 2006, Thomas Leysen, the head of Agoria – the federation of technological businesses – said that nuclear plants are necessary and added that the big Belgian companies, which are heavy electricity consumers, were considering investing in their own nuclear plant to lower their energy bills. Seven power customers – good for about 15% of Belgian energy consummation - have created in October Blue Sky to discuss with the electricity producers about price of supply. Blue Sky has not yet reached an official common viewpoint on the subject.

## Opportunities

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The federal law of April 29, 1999 transposing the EU Directive 96/92 into Belgian law defined the first general framework for the opening of the Belgian electricity and gas market; being put into effect in phases through different executive decrees e.g. access conditions for third parties to the transmission network and regulatory aspects. Under the special act of 8th August 1988, the federal government became responsible for “matters, which, owing to their technical and economic indivisibility, require equal treatment at national level”. The new EU directives 2003/54/EG:

[http://europa.eu.int/smartapi/cgi/sga\\_doc?smartapi!celexapi!prod!CELEXnumdoc&numdoc=32003L0054&model=guichett&lg=en](http://europa.eu.int/smartapi/cgi/sga_doc?smartapi!celexapi!prod!CELEXnumdoc&numdoc=32003L0054&model=guichett&lg=en), of June 26 2003 on general rules of the internal market for electricity and 2003/55/EG:

[http://www.juridat.be/cgi\\_loi/loi\\_a.pl?language=nl&caller=list&cn=1999042942&la=n&fromtab=wet&sql=dt=wet&tri=dd+as+rank&rech=1&numero=1](http://www.juridat.be/cgi_loi/loi_a.pl?language=nl&caller=list&cn=1999042942&la=n&fromtab=wet&sql=dt=wet&tri=dd+as+rank&rech=1&numero=1), on general rules for the internal market for gas were transposed into Belgian federal law of June 1st and July 20<sup>th</sup> and 27th 2005; again adapted by different Ministerial decrees.



Each of the three regions has also set up their respective regulatory commission, namely VREG in Flanders, CWAPE in Wallonia and IbgeBim in Brussels. In addition to supervising the operation of the electricity market, they also play a central role in issuing supply licenses; authorizing cogeneration facilities and facilities generating renewable power, and issuing and managing green power certificates. All further information and most legal documents are available on the following websites:

- Federal government <http://mineco.fgov.be/>
- Regulator of the Flemish region <http://www.vreg.be>
- Regulator of the Walloon region <http://www.cwape.be>
- Regulator of the Brussels region <http://www.ibgebim.be/>

## Resources

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### CREG - Regulation Committee for Gas and Electricity

Rue de l'Industrie, 26-38

B-1040 – Brussels

Tel: +32 (0)2/289.76.11

Fax: +32 (0)2/289.76.09

Web Site: <http://www.creg.be>

E-mail: [info@creg.be](mailto:info@creg.be)

The CREG is an independent Belgian organization established in 1999, in order to organize the liberalization of the electricity and gas markets. The CREG is the federal regulator, which has four missions: counselor to the federal government, regulator, controller, and dispute settlement. CREG carries out studies and conducts research, formulates recommendations and proposals for the attention of the Minister, evaluates the requests for authorization of production and transport, and monitors the protection of economic competition. The Control Committee for Electricity and Gas (CCEG) has ceased activities since June 30, 2003. The CREG has taken over all the CCEG remaining functions.

### Flemish Regulation Authority for the Electricity and Gas Markets- VREG

North Plaza B – Boulevard du Roi Albert II 7

B-1210 – Brussels

Tel: +32 (0)2/775.75.11

Fax: +32 (0)2/775.76.79

Web Site: <http://www.vreg.be/nl/index.asp>

Contact: André Pictael, President

Flemish regional Regulation Authority, created in 2000

### Wallonia Energy Commission – CWAPE

Avenue Gouverneur Bovesse 103-106

B-5100 Jambes (Namur)

Tel: +32 (0)81/33.08.10

Fax: +32 (0)81/33.08.11

E-mail: [cwape@cwape.be](mailto:cwape@cwape.be)

Web Site: <http://www.cwape.be>

Regional Regulation authority for Wallonia.

#### Brussels Energy Round Table (BERT)

Electriciteitsstraat, 35/1404

B- 2800 – Mechelen

Fax: +32 (0)1/520.48.57

The BERT is an informal group of companies, associations, governmental institutions and foreign representations interested in energy in Belgium. Presently, BERT's main activity is the organization of lunch conferences with speakers on key national and international energy issues. Attendance, which is broadly based, averages 30 to 100 persons.

#### FEBEG

Ravensteingalerij 3 bus 9

1000 Brussel

Tel.: +32 (0)2 500.85.85

Fax: +32 (0)2 500.85.86

Email : [info@febeg.be](mailto:info@febeg.be)

FEBEG – the Belgian federation for electricity and gas companies has recently been created out of BFE or the federation of electricity generators and distributors in Belgium (defends the interests of the electricity companies, as they relate to production, distribution and supply. They represent the sector in safety, standardization and regulation.) Finally Figaz, the Belgian Gas federation defends common interest of members in the gas market for import, transport, storage and distribution. Providing of publications, calculation and distribution of tariff parameters and assistance with legal and administrative problems.

#### Inter-Regies

Rue Royale, 55 box10

B-1000 – Brussels

Tel: +32 (0)2/217.81.17

Fax: +32 (0)2/219.20.56

Web Site: <http://www.inter-regies.be>

E-Mail: [ir@inter-regies.be](mailto:ir@inter-regies.be)

Contact: Gert De Block, General Secretary

Inter-Regies is an association, which coordinates the electricity, gas and cable-distribution public sector. It represents the interests of its members and represents them before the regulation authorities.

#### APERe (Association pour la Promotion des Energies Renouvelables)

7, rue de la Révolution

B-1000 Brussels

Tel: +32 (0)2/218 78 99

Fax : +32 (0)2/219 21 51

Web Site: <http://www.apere.org>

E-mail: [info@apere.org](mailto:info@apere.org)

Contact: Mr. Huart, Managing Director

The purpose of APERe is to promote renewable energies and the thoughtful use of energy in the framework of sustainable development. APERe was created in 1991 as a non profit-making organization by several associations and research centers. Nowadays APERe exists with its own "effective members" and backed up by individuals, "sympathizers" and firms from the renewable sector, "associated members". Through its

realizations, APERe has acquired a large expertise in the sector of renewable energies. It is now at the center of a substantial network of Belgian and European governmental agencies and firms.

Cogen Europe - The European Association for the Promotion of Cogeneration

Rue Gulledele, 98

B-1200 – Brussels

Tel: +32 (0)2/772.82.90

Fax: +32 (0)2/772.50.44

Web Site: <http://www.cogen.org>

E-Mail: [info@cogen.org](mailto:info@cogen.org)

Contact: Simon Minett, Director Brussels Office

COGEN Europe was created in 1993. It is a not-for-profit organization and functions as the European Trade Association for the Promotion of cogeneration in Europe and worldwide for a sustainable energy in the future. To achieve this goal, COGEN Europe is working at the EU level and with Member States to develop sustainable energy policies and remove unnecessary barriers to its implementation. Its membership includes more than 160 power companies, power authorities and companies involved in cogeneration in 30 countries. It is a member of the World Alliance for Decentralized Energy (WADE). The COGEN Europe network covers the whole of the European Union, Central and Eastern Europe, and includes also Japan, Australia and the United States.

FEBELIEC – Federation of the Belgian Large Industrial Energy Consumers

Square Marie-Louise, 49

B-1000 – Brussels

Tel: +32 (0)2/238.97.11

Fax: +32 (0)2/231.13.01

E-Mail: [febeliec@fedichem.be](mailto:febeliec@fedichem.be)

Contact: Luc BRAET, President,

Febeliec represents the interests of its members, which are large industrial energy consumers. Together, they represent 90% of the industrial electricity and gas consumption in Belgium. Febeliec is part of IFIEC-Europe (International Federation of Industrial Energy Consumption).

### **For More Information**

The U.S. Commercial Service in Brussels. Belgium can be contacted via e-mail at:

[jill.suetens@mail.doc.gov](mailto:jill.suetens@mail.doc.gov)

Phone: 00 32 2 508 28 89; Fax: 00 32 2 512 36 44 or visit our website:

[www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

## Medical Waste Treatment

### Overview

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Medical waste in Belgium, representing 10,000 tons a year, is sorted and treated according to the following two categories: hazardous and non-hazardous. Non-hazardous waste may be disposed of as regular waste, while special regulations govern the disposal of hazardous medical waste. This report will focus on the market for treatment of hazardous medical waste, produced mainly by hospitals. Two incinerators currently treat all medical waste at high temperatures. However Belgium is looking at alternative methods of treating medical waste. Many of the neighboring countries such as France and Germany have adopted sterilization as a method to neutralize hazardous medical waste. Although this method is much more expensive than incineration, the Brussels and Wallonia regions have recently allowed sterilization, and the Flanders region is currently researching the prospect of introducing sterilization. Market opportunities remain in the safety containers used to transport medical wastes to the incinerators as well as in sterilization equipment.

### Best Prospects/Services

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Four big multinational groups handle waste in Belgium. Consolidation in the EU waste market started in 1990. Belgium has a relatively small medical waste market, consisting of approximately 10,000 tons of hazardous medical waste per year: 6,000 tons in Flanders, 3,000 tons in Wallonia, and 1,000 tons in Brussels. Most of it is produced by hospitals (75%). Current final treatment of all hazardous medical waste is through incineration, whether or not some of it has been disinfected at an earlier stage. The two main Belgium incinerators treating medical waste are located in Flanders. Machiels is the largest, treating 6,000 tons yearly, but being located in the center of the town of Leuven, it might be closing down for environmental protection reasons. The second largest incinerator is Indaver, treating 1,000 tons a year; located in Antwerp, it is still up for sale to a multinational company. It has tremendous expertise in the treatment of hazardous waste. If the Machiels incinerator closes down, there will surely be a need for other technologies than incineration to treat medical waste in Belgium. The Public Waste Agency of Flanders (OVAM) recently conducted a survey for allowing sterilization for the treatment of hazardous medical waste. Preliminary treatment by sterilization would allow many of the hazardous medical waste to be later burned as normal waste at a lower temperature and lower cost. Market experts expect the study to allow sterilization of hazardous medical waste within the Flanders region, as it is already allowed in the Brussels and Wallonia regions. Sterilization units are installed in the St. Luc Brussels hospital and in the main Liege hospital.

### Opportunities

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A close relationship exists between the Belgian government and the companies facilitating the disposal of hazardous medical waste. In order to participate in the disposal of medical waste, a company must receive an environmental license from the

regional government in which the company operates. The main waste collectors are Sita and Biffa, which have licenses for all three regions since all medical waste is transported to the Flemish region to be incinerated. Seghers/Keppel, an international environmental company, has built many of the present incinerators. Licenses for new incinerators are unlikely. Within this industry, the two largest market openings are equipment for sterilization of hazardous medical waste and containers used for the transportation of medical wastes. The trend in Belgium is to centralize waste treatment operations. There is little chance that hospitals will be treating medical waste in their own incinerators as was done in the past. Alternative methods are being sought.

## Resources

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### FEBEM-FEGE

Federation des Entreprises de Gestion de l'Environnement

Febem-Fege is the Belgian national environmental trade association representing the private sector involved primarily in waste treatment. Members include many notable companies such as Sita, Biffa, Indaver, Van Gansewinkel, and Shanks.

Rue du Pavillon 9

B-1030 Brussels, Belgium

Tel: 00 32 2 757 9170

Email: [info@febem-fege.be](mailto:info@febem-fege.be)

Website: <http://www.febem.be>

### OVAM

Public Waste Agency of Flanders

This regional governmental agency regulates and manages waste in Flanders.

Stationstraat 110

B-2800 Mechelen, Belgium

Tel: 00 32 15 284 284

Email: [info@ovam.be](mailto:info@ovam.be)

Website: <http://www.ovam.be>

### OWD

Office Wallon des Déchets

This regional governmental agency regulates and manages waste in Wallonia.

Avenue Prince de Liège 15

B-5100 Jambes, Belgium

Tel: 00 32 81 336 575

Email : [N.Felix@mrw.wallonie.be](mailto:N.Felix@mrw.wallonie.be)

Website: <http://environnement.wallonie.be>

### IBGE-BIM

Institut Bruxellois pour la Gestion de l'Environnement

This regional governmental agency regulates and manages waste disposal in Brussels.

Place Saint-Géry 1

B-1000 Brussels, Belgium

Tel: 00 32 2 775 7575  
Email: [info@ibgebim.be](mailto:info@ibgebim.be)  
Website: <http://www.ibgebim.be>

ERASME Hospital  
This is a major university hospital located in Brussels.  
Lennik Road 808  
B-1070 Brussels, Belgium  
Tel: 00 32 (0)2 555 3201  
Email: [sipp.erasme@ulb.ac.be](mailto:sipp.erasme@ulb.ac.be)  
Website: <http://www.ulb.ac.be/erasme/en/index.html>  
Contact: Mr. Christian Woiche, Waste Coordinator

UNAMEC  
This trade association represents manufacturers, importers, and distributors of medical devices in Belgium. UNAMEC also informs companies about the requirements of WEEE legislation (mandatory recycling of electrical products) and the medical devices take-back system MeLaRec, which it has helped set up.  
Avenue Roi Albert I 64  
B-1780 Wemmel  
Tel: 00 32 2 257 0590  
Email: [info@unamec.be](mailto:info@unamec.be)  
Website: <http://www.unamec.be>

#### **For More Information**

The U.S. Commercial Service in Brussels, Belgium can be contacted via e-mail at:  
[Isabelle.Uyttenhove@mail.doc.gov](mailto:Isabelle.Uyttenhove@mail.doc.gov)  
Phone: + 32 2 508 24 50; Fax: +32 2 512 36 44; or visit our website:  
<http://www.buyusa.gov/belgium>

## Information and Communications Technology (ICT)

### Overview

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Belgium is a small market of only 10 million people. However, the Belgian Information and Communications Technology (ICT) sector is doing very well and, over the past year, has grown significantly faster than the Belgian and, in fact, European economy all sectors combined. The ICT sector represents a turnover of 22.5 billion dollars for Belgium and Luxembourg. This year the Belgian ICT sector grew 3.2% slightly higher than western European average ICT growth of 3.1% and the overall growth of the Belgian economy of 2.4%. The Belgian ICT sector is growing faster than the national economy.

### *Telecommunications:*

Belgium has implemented the EU Framework Directive governing electronic communications; it went into effect July 1, 2005. Businesses continue to complain of excessively high mobile termination rates. Under a new Regulatory Framework agreement, BIPT (the Belgian regulator for telecommunications and postal services) has the authority to regulate mobile termination rates (MTRs) for all three mobile providers in Belgium - Proximus, Mobistar, and Base. For now, the sector has not attracted U.S. companies to a significant degree. Of the three providers in Belgium, Base's rates are generally the highest and, at certain times of the day, can be as much as 50 percent above those of its two competitors. In response to advice from the European Commission that differences in MTRs should be addressed in a timelier manner, BIPT announced in 2006 that there will be two subsequent decreases in mobile termination rates. These reductions are intended to harmonize the differences among the MTRs of the three Belgian mobile providers. Belgian officials note that the two rate reductions are expected to take place in November 2007 and May 2008.

Belgacom, the former state operator, has been listed since March 2004 on Euronext, the European stock exchange. Belgacom is still 50 percent plus one share government-owned and is the leading telecommunications company in Belgium and a market leader in a number of areas, including retail and wholesale fixed-line telephony services, mobile communications services and broadband data and Internet services. Nine years of liberalization notwithstanding, Belgacom remains the main telephone operator with a much-fragmented array of competitors such as Mobistar (part of France Telecom's Orange group) and Base (a Dutch company). BT is the second largest supplier of data services after the takeover of Infonet and expects to grow another 15% in 2006. Belgacom and Telindus, a network hardware supplier announced a partnership in the beginning of 2006.

The Belgian Telecommunication Users Group (BELTUG) complains that the complex Belgian regulatory environment cannot keep up with the pace of evolving technology and threatens to become a hindrance. Also, in October 2005, the EU censured Belgium for failing to provide a telecom market analysis; a concept that according to the EU telecom directives approved in 2002 is an essential instrument in watching competition in



the national telecom markets.

Another grievance is that Belgian mobile operators are among the most expensive in the world, according to a report by Merrill Lynch Telecoms Research. Though those high margins should attract additional operators, in practice they are facing numerous obstacles. For instance, BASE is up to now the only operator to work with Virtual Network Operators. In response to advice from the European Commission that differences in MTRs should be addressed in a timelier manner, BIPT announced in 2006 that there will be two subsequent decreases in mobile termination rates. These reductions are intended to harmonize the differences among the MTRs of the three Belgian mobile providers. Belgian officials note that the two rate reductions are expected to take place in November 2007 and May 2008.

Yet another challenge is the WiMAX-enabled licenses. Whereas BIPT plans one or two WiMAX-enabled licences for wireless broadband traffic. The frequency spectrum has already been taken by Mac Telecom and ClearWire and by the VRT for its microwave radio links via helicopters. For the applications on campuses and industrial estates, BIPT also needs to clear another part of the spectrum and have an international agreement. The regulatory framework will have to be amended.

The latest evolution is the breakthrough of Voice over Internet Protocol telephone exchanges in 2005, while 2006 should bring a future for PABX suppliers. Telindus at its HQs already used a full Cisco solution over the past two years. Siemens has an 18% market share of VoIP telephone exchanges and 30% in the corporate segment. However, companies as COLT and BT still take great pains over introducing their VoIP products, with an estimated 10 to 15 years for a true breakthrough predicted by experts. Telenet is also experimenting with Voice Over IP, with a product labeled Zoof. Proximus remains the number one in the mobile telecom market, with Mobistar rapidly increasing its market share with a steady growth in the SME segment. Both Proximus and Mobistar say their door is wide open to MVNOs (Mobile Virtual Network Operators).

## **Best Prospects/Services**

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Best prospects in the Belgian ICT sector seems to be: SAN equipment, iSCSI and Fiber Channel compatible tools, network security appliances and related software. The market is also strong for solutions that improve perceived if not effective security of online transactions. CRM, data management and archiving are expected to grow steadily over the next year offering high opportunities for American companies operating in these sectors.

In the hardware/peripheral sector, consumers are increasingly interested in data storage equipment, PDAs (GPRS with Internet connectivity, possibly with GPS capabilities), WiFi, small/entry level servers, laser printers, color inkjet and multi functional printers, TFT and LCD screens.

In the software sector, consumers are interested in all types of standard applications, Internet and Intra- and Extranet software, web content management software and solutions, networking software and network security products, development tools, Windows, Linux and UNIX-based products, storage management software, CRM and ERP products, and application management products. There is a strong demand for



game software tailored for the consumer market. In the services sector, demand is focusing on desktop and network management, application hosting, security services (assessments and scans) and all types of Internet and E-Commerce-related services.

There is a growing demand for telecom equipment and services for mobile, fixed line telephony, cable, broadband, mobile (value-added) data services, and all types of Internet-related communication services. The Belgian market requires also: Outsourcing and maintenance of infrastructure installation, VoIP services for the business market, security applications for mobile communications, entertainment applications, multimedia services and applications, and communication security products and services.

## **Opportunities**

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Belgium's telecom sector has been struggling over the past few years, particularly with regards to the liberalization of the European markets. Notwithstanding the liberalization of telecommunications in 1998, the fixed-line market is still dominated by the former monopoly operator, Belgacom, which is 51% state owned. There are about 40 other operators, but the only significant one is Telenet, which owns a substantial cable infrastructure but has only a small share of the overall market. For the mobile phones there are three major players: Proximus (Belgacom), Mobistar (France Telecom) and BASE (KPN). Proximus launched the first 3G services for the business market in April 2004.

## **Resources**

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Mr. Ira Bel, the local market Commercial Specialist, will be coordinating SCE program at CeBIT – March 16 – 21, 2007. The U.S. Commercial Service will be bringing over 22 ICT Market Experts to CeBIT and will offer free to American firms only the possibility to brief the Commercial Specialists on their product or service and the Specialists will give their feedback as to the U.S. firms' product potential in their respective markets. Again, this is a free program. Please contact Mr. Ira Bel at: [Ira.Bel@mail.doc.gov](mailto:Ira.Bel@mail.doc.gov) or call +32 2 508 2434 or call +32 475 29 69 85.

## Generic Drugs

### Overview

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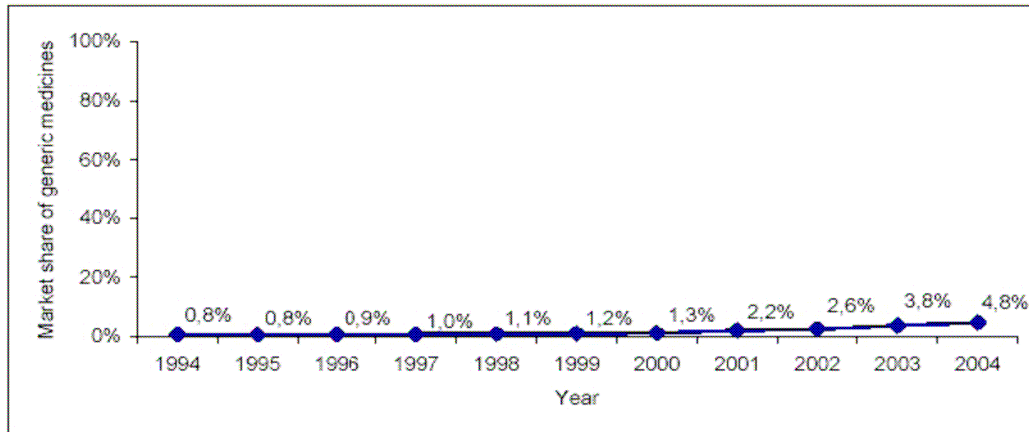


Figure 1. Market share of generic medicines by value in Belgium 1994-2004

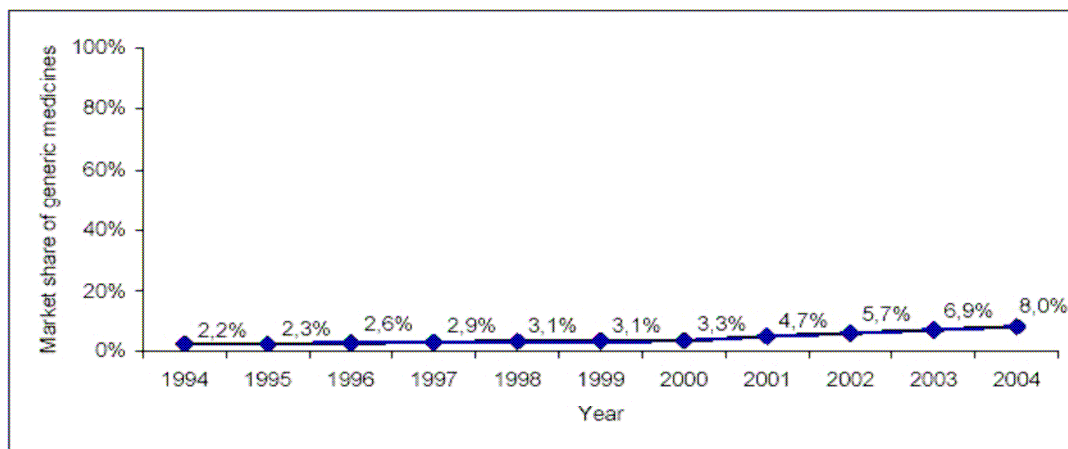


Figure2: Market share of generic medicines by volume in Belgium 1994-2004

Source: Sustaining Generic Medicines Markets in Europe, Prof. Dr. Simoens, Sandra De Coster, April 2006.

Belgium traditionally has been a very attractive location for pharmaceutical manufacturing, research and development. Nonetheless, in recent years, the investment climate has eroded due to red tape in the product approvals process, artificially low prices for brand-name drugs, high taxes, and the tendency by government to require pharmaceutical firms to cover shortfalls in the Federal Belgian healthcare budget. Discussions on these subjects have been going on between industry representatives, the U.S. Embassy, and the Belgian Government for several years.

Belgium has a well-developed national medical insurance system that provides coverage for nearly all of its citizens. This system provides for the partial or complete

reimbursement of most medical expenses, including services and supplies. Pharmaceutical expenditure has doubled over the past 25 years and is rising more sharply for the elderly given the demographic profile of Belgium's population. Total pharmaceutical expenditure in 2005 amounted to \$4.1 billion. Several price control measures have been taken to limit the increase of pharmaceutical expenditure. Promotion of generics and price decrease of patented products, are some of the measures taken by the Health Minister.

## **Best Products/Services**

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New medical treatments derived from biotechnology are securing more market share. With a clutch of first-generation biologicals approaching patent expiry, the potential for biogenerics is growing. In March 2004 the European Council and the European Parliament established a legal base for biogenerics or "similar biological medicinal products" (Directive 2001/83/EC – Annex I). Before obtaining market authorization it has to be proven that the biogeneric is similar to the original product and that its safety and efficacy are not significantly different from the original product. Applications for marketing authorization for a biogeneric medicine must be presented to the European Medicines Agency (EMA) in London.

Up until now no biogenerics have been put on the market. However, by 2010 nearly 50 percent of all new approved pharmaceuticals will be of biotechnological origin. Therefore, the market for biogenerics or biosimilar medicines looks therefore very promising for the coming years.

According to Datamonitor, biogenerics will require an entirely new development and marketing strategy: marketing and patient support will be much more important, and this will favor companies with strong financial resources and commercial experience. In the distant future, the development of "superbiogenerics" (second-generation biogenerics), appears to be a vital opportunity.

## **Opportunities**

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Belgium's growing share of aging population and the related higher health expectations will have an important impact on healthcare expenditures in the coming years. The GOB is therefore looking at various cost-saving measures. It recently approved a Royal Decree for the launch of the soft kiwi model (also Kiwi Light) based on the Kiwi model applied in New-Zealand. The intention is to publish a public tender for cholesterol lowering drugs (simvastatins) and omeprazoles (to treat stomach ulcers and inflammations). The Royal Decree stipulates that the selection procedure can only take 6 months. The winning product will be reimbursed for 75 percent where the other products will still have a 50 percent reimbursement. The soft kiwi model only applies to off-patent products.

## **Resources**

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Febelgen  
Joris Van Assche

2/16/2007

Pagodenlaan 435  
B-1020 Brussels  
Tel: +32-2-267 48 14  
[www.febelgen.be](http://www.febelgen.be)

The Belgian Association of Generics Manufacturers. Its members: Bexal (Hexa Group), Eurogenerics (Stada Group), Merck Generics (Merck Group), Ratiopharm, Sandoz (Novartis Group), Topgen (Zambon Group) and Teva Generics (Teva Group).

European Generic Medicines Association  
Rue d'Arlon 15  
B-1050 Brussels  
Tel: +32-2-736 84 11  
Fax: +32-2-736 74 38

[www.egagenerics.com](http://www.egagenerics.com)

The EGA is the official representative body of the European generic pharmaceutical industry.

**For More Information**

The U.S. Commercial Service in Brussels, Belgium via e-mail at:

[danny.dumon@mail.doc.gov](mailto:danny.dumon@mail.doc.gov);

Phone: +32 2 508 2888; Fax: + 32 2 512 36 44 or visit our website:

[www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

## Security for Airport/Aerospace, Maritime/Ports and High Threat Targets

### Overview

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In Belgium, port security issues are coordinated through the Ministry of Transportation at the federal level. Its working group on port security consists of representatives from: the various ports, Belgium's 3 regions as well as officials from the Ministry of Interior, Ministry of Justice, Ministry of Finance and Defense. This group coordinates security efforts and initiatives.

Belgium has several regional airports with one major airport in Zaventem near Brussels. Brussels International Airport Company (BIAC), a private limited shares company, operates the Brussels Airport. In 2003, Zaventem had 15.2 million passengers. Brucargo shipped 607,136 tons of freight in 2003, consolidating its fifth place in the European airfreight sector.

Belgium has 7 nuclear power plants, 4 in the north (Doel) and three in the south (Tihange) near the French border. It is also home to NATO, SHAPE, Eurocontrol and European Union institutions. After 09/11 extra security measures were taken. Nuclear plant personnel is screened and thoroughly investigated. Existing security systems have been upgraded.

### Best Products/Services

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#### *1. Maritime & Ports*

Belgian security firms are constantly looking for new technologies. The Backscatter Technology, already used in the U.S., has potential for the Belgian market. Belgian customs have shown some interest for this technology.

Although Belgian customs currently plan to monitor the Department of Energy-supplied nuclear detectors, there is also a strong interest from the security sector in this type of activities.

#### *2. Airport & Aerospace*

Security firms specialized in airport security are always looking for innovative products. In the past, metal detectors were sufficient but currently companies want high-performance equipment combining explosives and metal detection. Security on one hand and the comfort of the passenger on the other hand play an important role in the final decision-making process.

#### *3. High Threat Targets*

High threat targets are also looking for innovative products, integrated systems and biometrics. Other opportunities exist in the area of training for security managers. Belgium has no specific training program for security managers. Some security officers take training courses from the American Society for Industrial Security (ASIS). U.S. firms offering a complete, professional training program for security managers could find a niche in the Belgian market.

## Opportunities

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Last year, the European Court of Justice compelled Belgium to lift its nationality requirements for its security services firms; hitherto, managers of these firms had to have the Belgian nationality. Now, a European passport is required; this is a nuisance for U.S. security firms set up in Europe. Reciprocity seems to be an issue here i.e. whether all of the U.S. states will allow European security firms to have European managers.

There is a trend towards integrated systems. The Brussels Airport has asked some of its contractors to come up with a total concept i.e. security equipment, security services and access control.

## Resources

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### Government

#### Ports

DG Maritime Transportation  
Voouitgangstraat 56  
B-1210 Brussel  
Tel: +32 2 277 31 11  
Fax: +32 2 277 40 51  
[www.mobilit.fgov.be](http://www.mobilit.fgov.be)

#### Airports

DG Airport  
Communicatiecentrum Noord  
Vooruitgangsstraat 80, bus 5  
B-1030 Brussels  
Tel: +32 2 277 43 11  
Fax: +32 2 277 42 59  
[www.mobilit.fgov.be](http://www.mobilit.fgov.be)

#### High Threats

Crisiscentrum  
Hertogstraat 53  
B-1000 Brussels  
Tel: +32 2 506 47 11  
Fax: +32 2 506 47 09  
<http://crisis.ibz.be/>

### Airports

Société Wallonne des Aeroports  
Chaussée de Liège 624  
B-5100 Namur  
Tel: +32 81 328 950  
Fax: +32 81 313 504  
[www.sowaer.be](http://www.sowaer.be)

Brussels National Airport

B-1930 Zaventem

Tel: +32 2 753 42 00

Fax: +32 2 753 45 50

[www.brusselsairport.be](http://www.brusselsairport.be)

Ms. Caroline Coutereel, Security Planning & Project Officer

#### **Trade Associations**

Beroepsvereniging van Bewakingsondernemingen

Koningin Fabiolalaan 25

B-1780 Wemmel

Tel: +32 2 462 07 73

Fax: +32 2 460 14 31

[www.apeg-bvbo.be](http://www.apeg-bvbo.be)

Mrs. Hilde De Clerck

Belgian Association Of Security Services Companies

European Corporate Security Association

Domaine de Latour de Freins

Rue Engeland 555

B-1180 Brussels

Tel: +32 475 41 34 00

[www.ecsa-eu.org](http://www.ecsa-eu.org)

Mr. Yvan De Mesmaeker, Secretary General

ECSA is an Association of Professionals from the Public, Private and Academic sector who are active in, or contribute to the Security, the Continuity or the Resilience of Corporations, Organizations and Institution.

#### **For More Information**

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[danny.dumon@mail.doc.gov](mailto:danny.dumon@mail.doc.gov)

Phone: +32 (0)2 508 2888; Fax: +32 (0)2 512 6653; or visit our website:

[www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

## Travel and Tourism

### Overview

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#### Number of Belgian Arrivals in the U.S.

<u>YEAR</u>	<u>ARRIVALS</u>
1999	248,821
2000	249,957
2001	181,693
2002	159,052
2003	151,069
2004	176,000
2005	192,000
2006*	208,000
2007*	219,000
2008*	231,000

\* - Projected values

Source: U.S. Department of Commerce

#### Top U.S. States and Cities Visited by Belgians in 2004

<u>State</u>	<u>Market Share %</u>	<u>City</u>	<u>Market Share %</u>
California	33.3	New York	21.4
New York	30.7	Los Angeles	16.0
Florida	16	San Francisco	15.0
Nevada	15.3	Boston	13.8
Arizona	10.1	Miami	9.6
District of Columbia	11.4	Orlando	8.9
Massachusetts	8.5	Detroit	8.0
Texas	5.0	Dallas	7.4

Source: U.S. Department of Commerce, Brussels International Airport Company

Most Belgians travel within Europe for vacation, however long-haul destinations are becoming more popular as traveler confidence increases. As the events of 9/11 become more distant, European demand for travel overseas has increased. Belgians generally tend to be more mobile than their European counterparts; only 12% of the Belgian population planned to stay within Belgium for their summer 2006 vacation, while the average percentage of Spanish, French, and Italian vacationers planning a domestic holiday reached 70%. An analysis done by travel industry professionals indicated that within Belgium, the propensity to travel abroad is greater among Brussels inhabitants (80%). Regarding age, Belgians over the age of 45 have the highest propensity to travel abroad for vacation (81%), followed by the 25 - 44 age group (78%). Most Belgian workers receive 4-5 weeks of paid vacation per year, and children have approximately 14 weeks of annual school vacation per year. The majority of holidays in Belgium, however, are made between June and September, with the travel peak occurring in July.



Furthermore, the per capita income in Belgium is around \$35,749 (2005), surpassing both Germany and France. This provides for a high disposable income that can be used toward long-haul trips.

### **Best Products/Services**

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The United States has many industries, attractions, and unique qualities that are appealing to many potential Belgian visitors. Due to the winter/summer holiday cycle of the typical Belgian, it would be most beneficial for the American tourism industry to promote season-specific destinations such as the popular ski resorts in Colorado and New York or any of the numerous East and West coast beaches.

Belgians take most of their time off work during the summer months. Many Belgians take at least two weeks off at a time, a perfect time frame for long-haul trips to the United States. Therefore, it may be profitable for the American tourism industry to invest in the summer tourism market. Because the Belgian climate is cold and rainy, destinations with sunny beaches are very attractive to Belgian tourists. The demand for exotic destinations has been on the rise (Inter Press Service). The United States could take advantage of this trend by placing a promotional emphasis on the Hawaiian Islands, the U.S. Virgin Islands (St. Croix, St. Thomas, St. John), and the Florida Keys. Also, many Belgian travelers are unfamiliar with the extensive amount of nice beaches the U.S. has to offer outside of Florida and California. Destinations like Virginia Beach, Myrtle Beach, Outer Banks, and Cape Cod would likely attract additional Belgian vacationers if they publicized more.

### **Opportunities**

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Belgium has demonstrated an impressive increase in tourism since 2004. There is a growing risk tolerance among Europeans, Belgians in particular; they are less deterred by terrorist attacks and natural disasters than ever before. In addition, the proliferation of low-cost airlines (i.e. Virgin Express) and the availability of online booking have increased overall competition, convenience, and efficiency in the travel industry. Although Spain and France represent 50% of the Belgian tourism market share, the United States is the top long-haul destination for Belgian travelers, accounting for nearly one fifth (19%) of the market. Over 190,000 Belgians visited the U.S. in 2005, and figures for 2006 are forecasted to increase by another 8%. Belgium ranks 20th out of the top 32 countries that travel to the United States. All experts in the travel sector view the U.S. as a major attraction for Belgian tourists in the future, as it offers prospects of growth at even higher levels than pre-2001. According to the projected figures below, there will be a 31% increase in Belgian arrivals to the United States between 2004 and 2008. New York recently became the number one destination for Belgian businessmen.

As of July 2006, there are five daily, non-stop flights from Brussels to the U.S. Increased publicity and advertisement from these United States-based airlines continually entice more Belgian travelers to visit the U.S. Moreover, the fly-and-drive market represents 50% of the total Belgian market. Because few tourist activities in the United States are directly accessible by public transportation, there is a strong need for private car rental and fly/drive vacations. Although this market tends to consist mainly of leisure travelers, many business travelers combine short vacations with their business trips. Therefore,

the fly-and-drive market may equally suite the needs of Belgians traveling on business. Approximately 45% of Belgian tourists in the U.S. rent vehicles for travel between cities, as opposed to the 8% that use the interstate and inter-city rail system and the 5% that use the interstate and inter-city bus system. These figures are a clear indicator that rental cars are an economically beneficial sector to promote.

## Resources

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### **ABTO – Belgian Tour Operator Association**

Contact: Jean-Luc Hans, President  
Imperiastraat 10  
B-1930 Zaventem, Belgium  
Phone: 32/2/242 0040  
Fax: 32/2/242 0874  
E-mail: [jl.hans@christophair.be](mailto:jl.hans@christophair.be)  
Website: <http://www.abto.be>

### **BTO – Belgian Travel Organization**

Contact: Luc Wellens, Chairman  
Imperiastraat 10  
B-1930 Zaventem, Belgium  
Phone: 32/2/344 2672  
Fax: 32/2/242 0874  
E-mail: [luc.wellens@tq3.be](mailto:luc.wellens@tq3.be)  
Website: <http://www.bto.be>

### **UPAV – Professional Union of French-speaking Travel Agents**

Contact: Jean-Philippe Cuvelier, President  
Rue Louis Scutenaire 8 BUS 1  
B-1030 Brussels, Belgium  
Phone: 32/2/215 9823  
Fax: 32/2/460 6950  
E-mail: [upav@euronet.be](mailto:upav@euronet.be)  
Website: <http://www.upav.be>

### **VVR – Association of Flemish Travel Agencies**

Contact: Luc Demuynck, President  
Vlaminghof-Willem de Dekenstraat 1/0002  
B-8000 Brugge, Belgium  
Phone: 32/5/122 1789  
Fax: 32/5/126 9710  
E-mail: [vvr@vvr.be](mailto:vvr@vvr.be)  
Website: <http://www.vvr.be>

### **Visit USA Committee/Marketing and Promotion Bureau**

The most important organization offering information to Belgians desiring to travel to the U.S. is Visit USA. The committee was created in 1978, with the support of the American Embassy and the United States Travel and Tourism Administration. It is now independent and is supported by 70 patron members, which include convention and

visitor bureaus, travel wholesalers, rental car companies, hotels, airlines, attractions, and tour operators. Commercial Service Belgium works with the Visit USA Committee on a close, cooperative basis. The Visit USA Committee offers members a number of services and advantages, ranging from active promotion of members' products and destinations to the press, travel industry, and the general public to special rates at fairs and seminars. Visit USA's task is to promote tourism to the United States, particularly travel relevant to its members. Joining visit USA is a very simple and highly effective way for U.S. destinations and suppliers to reach the Belgian audience. See <http://www.visitusa.org>

**For More Information**

The U.S. Commercial Service in BRUSSELS/BELGIUM can be contacted via e-mail via Brigitte de Stexhe at: [Brigitte.de.Stexhe@mail.doc.gov](mailto:Brigitte.de.Stexhe@mail.doc.gov)  
Phone: 32-2-508-2454; Fax: 32-2-512-3644 or visit our website:  
[www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

## Interior Textiles

### Overview

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The textile sub-sector “Interior Textiles” includes carpets, upholstery and furnishing fabrics, household linen, wall coverings, mattress ticking, and trimmings. Interior textiles represent the largest sub-sector of the textile industry in Belgium. Over the last several years, there has been an increase in purchases of furniture and interior textiles, including bedding and linen. The Belgian textile market is very competitive. Belgian producers, wholesalers and consumers of interior textiles all put a strong emphasis on style and performance and are willing to pay higher prices for high quality and special features. In 2004, imports from low-wage countries such as China and Turkey began to increase significantly while imports from other Western European countries declined. Despite the competitiveness of the market, there are opportunities for American companies in niche markets, specifically home textiles and high-end fabrics. In addition to the favorable Euro/U.S. dollar exchange rate, American technology is highly regarded, making American manufacturers competitive in the Belgian market.

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Given the competitiveness of the market, the best opportunities for U.S. manufacturers are in niche markets, specifically home textiles and high-end fabrics. Current trends include a preference for natural fabrics and colors. This product sector could be exploited more aggressively. Several distributors highlighted the potential for U.S. penetration in special fabrics, such as flocked and velvet upholstery materials. The distributors further stated that the best suppliers of these fabrics were American. American technology is highly regarded in the textile industry, which makes American manufacturers extremely competitive in the Belgian market. Generally, U.S. suppliers should specialize and concentrate on niche products, adopt a flexible approach to the market and strengthen their marketing efforts. Belgian producers, wholesalers and consumers of interior textiles all put a strong emphasis on style and performance and are willing to pay more for high quality and special features.

### Opportunities

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Interior textiles represent the largest sub-sector of the textile industry in Belgium. In 2005, the turnover for interior textiles in Belgium was valued at \$3.5 billion and represented a share of 42 percent of the added value of the Belgian textile sector. There are 221 commercial companies employing 15,400 persons specializing in interior textiles. Exports account for about 93 percent of the production, and France is the principal export market for Belgian textiles. Belgium is the second largest carpet producer in the world after the United States.

As in most Western European countries, the Belgian population is aging, and there is a large segment of the population over the age of 60. While the older generation rarely purchased new textile items, it is now slowly becoming more fashion-oriented with

respect to decorating homes. The old tradition, where a family would keep curtains and linens for years, has given way to more frequent acquisitions, creating a greater demand for home textiles.

## Resources

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### FEBELTEX (Belgian Textile Federation)

Mr. Mark Vervaeke, Director of Interior Textiles

Koning Leopold I-straat

B-8500 Kortrijk, Belgium

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fax: 32-56/26-4215

<http://www.febeltex.be/>

### TRADE-MART

Brussels International Trade Mart

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B-1020 Brussels, Belgium

tel: 32-2/400-7400

fax: 32-2/400-7401

[www.trademart.be](http://www.trademart.be)

Trade Mart is a permanent business-to-business center located in Brussels that acts as a window for the latest international trends as well as an ideal place for trading. Trade Mart not only inspires but also stimulates the market. Trade Mart is a forum for meetings, distribution and business.

### MEUBIHOME

Mr. Patrick Ledoux, Editor

B.I. Trade Mart

Atomiumsquare – BP 613

B-1020 Brussels, Belgium

tel: 32.2/478.46.19

fax: 32.2/478.37.66

[www.meubihome.be](http://www.meubihome.be)

Professional magazine specializing in home furniture and decoration.

Published monthly in French and Dutch.

### TEXTILES – Febeltex Newsletter

Rue Montoyer 24, Box 1

B-1000 Brussels, Belgium

tel: 32.2/287-0811

e-mail: [info@febeltex.be](mailto:info@febeltex.be)

[www.febeltex.be](http://www.febeltex.be)

Monthly newsletter in Dutch and French published by the Belgian Textile Federation.

There is an English version twice a year - in March and October. There are an endless number of home decoration magazines for Belgian consumers. Two of the major home decoration magazine publishers are the following:

### ROULARTA MEDIA GROUP

Research Park

B-1731 Zellik, Belgium

tel: 32.2/467-5611

fax: 32.2/467.57.57

[www.roularta.be](http://www.roularta.be)

Publishes several home decoration magazines.

SANOMA MAGAZINES

Telecomlaan 5-7

B-1831 Diegem, Belgium

tel: 32.2/776-2211

[www.sanoma-magazines.be](http://www.sanoma-magazines.be)

Specializes in women's press.

**For More Information**

The U.S. Commercial Service in Brussels, Belgium can be contacted via e-mail at:

[Brigitte.de.stexhe@mail.doc.gov](mailto:Brigitte.de.stexhe@mail.doc.gov); Phone: 32-2-508-2454; Fax: 32-2-512-3644; or visit

our website: [www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

## Seafood

### Overview

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#### Consumer Expenditure on Food in Belgium, 2004-2005

Expenses in US\$/Euros	2004		2005	
	USD	EUROS	USD	EUROS
Total Food	2,470	1,951	2,519	1,990
Meat	1,029	813	1,039	821
Seafood:	228	180	234	185
-Fresh seafood	135	107	139	110
-Frozen	27	21	28	22
-Canned	21	16	22	17
-Smoked or dried	19	15	20	16
-Convenience	28	22	29	23

Source: Belgian National Institute of Statistics

Exchange rate 2004: 1USD = 0.79 Euros

2005: 1USD = 0.75 Euros

Belgium provides many opportunities for U.S. exporters looking for a way to penetrate the European market. The Belgian seafood market is thriving with possibilities for U.S. seafood products when considering the above average per capita consumption of seafood in comparison to other European countries. In addition to the high demand for seafood products, the evolving social structure, EU catch quota regulations, and fluctuating prices have influenced the type and amount of European seafood demanded. U.S. companies wanting to export to the Belgian seafood market will need to take into account these specific factors in order to ensure an optimal consumer response.

### Best Products/Services

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Freshness, quality, and competitive prices are determining factors in purchasing seafood for the average Belgian consumer, however another important consideration is ease of preparation. While the traditional fish business remains strong, the changing social structure in recent years has led to an increase in the importance of high profile, high quality value-added products. The upward trend in the demand for these products is attributed to the evolving household structure as well as the busy lifestyle of the modern Belgian consumer.

As more women enter the workforce and abandon the “traditional” role as homemaker, foods that can be prepared quickly and conveniently are receiving more popularity. In addition, there are more singles than traditional families in Belgium, and singles inhabit 50% of all households in Brussels alone. Already-prepared and frozen seafood products are very suitable for people living on their own or for working women with young children who do not have the time or tradition to cook.

Lobsters, fresh/frozen salmon, and frozen value-added seafood are the most promising sub sectors for these products.

## Opportunities

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Belgian consumers demonstrate an extraordinarily high demand for seafood products. This is mainly attributed to the increasing focus on nutrition and wellness as well as the genuine love of seafood within the Belgian culture. There are no significant inland commercial fisheries in Belgian waters, and the aquaculture production in the country is rather small. Consequently, Belgium relies heavily on imports and receives over 200,000 tons of seafood each year of which 17% of this quota is mollusks, 14% crustaceans, 13% filets, 12% whole fish, and 17% prepared and canned seafood. Although Belgium's main seafood import origins are the Netherlands, Denmark, France, and Germany, the United States exported approximately \$27 million of seafood to Belgium in 2005. Currently, lobster and salmon are the main American seafood exports to the country.

## Resources

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N.O.A.A. Fisheries Service  
Office of Constituent Services  
1315 East West Highway, 9th Floor  
Silver Spring, MD 20910  
Tel: (301) 713-2379  
Fax: (301) 713-2385

Stéphane Vrignaud  
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Tel: 32/2/508-2842

Ministry of Public Health and Environment  
DG for Animals, Plants, and Foodstuffs  
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## For More Information

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## Chapter 5: Trade Regulations and Standards

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### Import Tariffs

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As a member of the EU, Belgium applies the EU common external tariff to goods imported from non-EU countries. For goods imported into Belgium from other EU countries, no customs duties apply, unless the goods were imported from outside the EU and customs duties had not already been paid in another EU country. Import duties are based on the Cost Insurance Freight (CIF) price paid for the goods. Goods imported into Belgium or made in Belgium are subject to Value Added Tax (VAT). VAT is levied on the value that is added to the goods or services at each stage in the production and distribution process. A tax is levied at each point en route, as ownership passes from one person to another. At every stage, an 'output' tax is charged on the current sales value, but the 'input' tax which has been charged by those at an earlier stage of the game can be offset or recovered. Thus the tax liability at each stage is based on the difference between the value of the outputs and the value of the inputs (hence 'added value'). VAT is payable upon importation, if Belgium is the destination of the goods being shipped into the EU. One of three rates will apply: 6 percent - daily necessities, food stuffs, etc; 12 percent - tobacco, fuel, etc.; and 21 percent - majority of commercial items. VAT is applied after customs duties are added to the price of the goods.

### Trade Barriers

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For information on existing trade barriers, please see the National Trade Estimate Report on Foreign Trade Barriers, published by USTR and available through the following website: <http://www.ustr.gov/> or <http://www.useu.be/> or <http://useu.mission.gov>. Information on agricultural trade barriers can be found at the following website: <http://www.useu.be/agri/usda.html>. To report existing or new trade barriers and get assistance in removing them, contact either the Trade Compliance Center at <http://www.trade.gov/tcc> or the U.S. Mission to the European Union at <http://www.buyusa.gov/europeanunion>

### Import Requirements and Documentation

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## ***Import Licenses***

The Integrated Tariff of the Community, referred to as TARIC (acronym for "Tarif Intégré de la Communauté"), is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a license is required for a particular product, check the TARIC.

The TARIC can be searched by country of origin, Harmonized System (HS) Code, and product description on the interactive website of the Directorate-General for Taxation and the Customs Union. The TARIC is updated annually.

It is important to note that the World Customs Organization has released the third update in more than 20 years to the HS Code. There are major production classification revisions to chapters 84 and 85. This affects not just the EU, but all 121 contracting parties to the HS starting January 2007.

In addition, many EU Member States maintain their own list of goods subject to import licensing. For example, Germany's "Import List" (Einfuhrliste) includes goods for which licenses are required, their code numbers, any applicable restrictions, and the agency that will issue the relevant license. The Import List also indicates whether the license is required under German or EU law. For information relevant to Member State import licenses, please consult the relevant Member State Country Commercial Guide.

*Key Link:* [http://ec.europa.eu/taxation\\_customs/common/databases/taric/index\\_en.htm](http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm)

## ***Import Documentation***

### ***Non-agricultural Documentation***

The official model for written declarations to customs under "Normal Procedure" is the Single Administrative Document (SAD). European Free Trade Association (EFTA) countries including Norway, Iceland, Switzerland, and Liechtenstein also use the SAD. However, other forms may be used for this purpose. Information on import/export forms is contained in Title VII, of Council Regulation (EEC) No. 2454/93, which lays down provisions for the implementation of Council Regulation (EEC) No. 2913/92 establishing the Community Customs Code (Articles 205 through 221). Articles 222 through 224 provide for computerized customs declarations and Articles 225 through 229 provide for oral declarations.

Additional information on import/export documentation can be found in Title III, of Council Regulation (EEC) No. 2913/92 of October 12, 1992, establishing the Community Customs Code (Articles 37 through 57).

Goods brought into the customs territory of the Community are, from the time of their entry, subject to customs supervision until customs formalities are completed.

Goods presented to customs are covered by a summary declaration, which is lodged once the goods have been presented to customs. The customs authorities may, however, allow a period for lodging the declaration, which cannot be extended beyond the first working day following the day on which the goods are presented to customs.

The summary declaration can be made on a form corresponding to the model prescribed by the customs authorities. However, the customs authorities may permit the use, as a summary declaration, of any commercial or official document that contains the particulars necessary for identification of the goods. It is encouraged that the summary declaration be made in computerized form.

The summary declaration is to be lodged by:

- the person who brought the goods into the customs territory of the Community or by any person who assumes responsibility for carriage of the goods following such entry; or
- the person in whose name the person referred to above acted.

Non-EU goods presented to customs must be assigned a customs-approved treatment or use authorized for such non-Community goods. Where goods are covered by a summary declaration, the formalities for them to be assigned a customs-approved treatment or use must be carried out:

- 45 days from the date on which the summary declaration is lodged in the case of goods carried by sea;
- 20 days from the date on which the summary declaration is lodged in the case of goods carried other than by sea.

Where circumstances so warrant, the customs authorities may set a shorter period or authorize an extension of the period.

### ***Batteries***

New EU battery rules came into force on 26 September 2006 following the publication of the Directive on batteries and accumulators and waste batteries and accumulators (Directive 2006/66) in the EU's Official Journal. This new Directive replaces the original Battery Directive of 1991 (Directive 91/157). The new Directive applies to all batteries and accumulators put on the EU market including automotive, industrial and portable batteries. It aims to protect the environment by restricting the sale of batteries and accumulators that contain mercury or cadmium (with an exemption for emergency and alarm systems, medical equipment and cordless power tools) and by promoting a high level of collection and recycling. It places the responsibility on producers to finance the costs associated with the collection, treatment, and recycling of used batteries and accumulators. The Directive also includes provisions on the labeling of batteries and their removability from equipment. EU Member States must implement the EU Directive into their national law by September 26, 2008. For more information, see our market research report: [http://www.buyusainfo.net/docs/x\\_8086174.pdf](http://www.buyusainfo.net/docs/x_8086174.pdf)

### ***REACH***

REACH is a major reform of EU chemicals policy, proposed by the European Commission in October 2003 and likely to be adopted at EU level in December 2006. REACH would then become national law in the 27 EU Member States in Spring 2007. REACH stands for the "Registration, Evaluation and Authorization of Chemicals". REACH will require all chemicals produced or imported into the EU in volumes above 1 ton per year to be registered with a central European Chemicals Agency, with information on their properties, uses and safe ways of handling them. Chemicals of very high concern, like carcinogens, will need an authorization for use in the EU. Virtually every industrial sector, from automobiles to textiles, could be affected by the new policy. U.S. exporters to Europe should carefully consider this piece of EU environmental legislation. For more information, see the CSEU REACH webpage, starting with the market research report 'REACH 101': <http://www.buyusa.gov/europeanunion/reach.html>

### ***WEEE & RoHS***

EU rules on waste electrical and electronic equipment (WEEE), while not requiring specific customs or import paperwork, may require U.S. exporters to register the products with a national WEEE authority, or arrange for this to be done by a local partner. Similarly, related rules for EEE restricting the use of the hazardous substances (RoHS) lead, cadmium, mercury, hexavalent chromium, PBBs, and PBDEs, do not entail customs or importation paperwork. However, U.S. exporters may be asked by a European RoHS enforcement authority or by a customer to provide evidence of due diligence in compliance with the substance bans on a case-by-case basis. U.S. exporters seeking more information on WEEE and RoHS Regulations should visit: <http://www.buyusa.gov/europeanunion/weee.html>

### ***Agricultural Documentation***

Phytosanitary Certificates: Phytosanitary certificates are required for most fresh fruits, vegetables, and other plant materials.

Sanitary Certificates: For commodities composed of animal products or by-products, EU countries require that shipments be accompanied by a certificate issued by the competent authority of the exporting country. This applies regardless of whether the product is for human consumption, for pharmaceutical use, or strictly for non-human use (e.g., veterinary biologicals, animal feeds, fertilizers, research). Many of these certificates are uniform throughout the EU, but the harmonization process has not been finalized yet. During this transition period, certain Member State import requirements continue to apply. Up-to-date information on harmonized import requirements can be found at the following website: <http://www.useu.be/agri/certification.html>.

Sanitary Certificates (Fisheries): Since April 2006, the EU has accepted the U.S. seafood inspection system as equivalent to the European one. Consequently, a specific public health certificate must accompany U.S. seafood shipments. EU Decision 2006/199/EC places specific conditions on imports of fishery products from the U.S. Sanitary certificates for shellfish are covered by Commission Decision 1996/333/EC and must be used for gastropods, bivalve mollusks, tunicates and echinoderms. The two

competent Authorities for issuing sanitary certificates are the FDA and the U.S. Department of Commerce, National Marine Fisheries Service (NMFS/USDC).

Since May 1, 2004, aquaculture products coming from the United States are subject to specific animal health legislation, i.e. Regulations 2003/804/EC and 2003/858/EC. An animal health certificate, in addition to a public health certificate, must accompany shipments of aquaculture live bivalve mollusks and finfish. This animal health certificate is not required in the case of live bivalve mollusks intended for immediate human consumption. For further information, please contact the NOAA Fisheries office at the U.S. Mission to the EU.

On November 20, 2006, the Commission published an amendment to Regulations 2003/804/EC and 2003/858/EC. Decision 2006/767/EC, in force as of November 27, 2006, modifies the conditions of imports of aquaculture live bivalve mollusks as well as fishery products for human consumption.

A new EU Hygiene law has been in force since January 1, 2006. This new set of Regulations aims to simplifying existing rules and at guaranteeing safer food. To facilitate the implementation of the revised rules, the Commission recently published implementing measures and transitional arrangements that are also effective as of January 1, 2006. These guidelines can be found below:

- [Commission Regulation 2073/2005](#)
- [Commission Regulation 2074/2005](#)
- [Commission Regulation 2076/2005](#)

From May 1, 2007, a second set of new hygiene laws will be in place. They will greatly modify import requirements for animal and animal products.

For detailed information on import documentation for seafood, please see the following web sites: <http://www.nmfs.noaa.gov/ocs/tradecommercial> or <http://www.cfsan.fda.gov/>.

## **U.S. Export Controls**

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### *Selling into Belgium:*

The Bureau of Industry and Security (BIS) is responsible for the licensing of exports out of the United States. There is no longer a distinction between validated licenses and general licenses - either you need a license or you do not (NLR - No License Required). An export license is required for reasons of national security, foreign policy, and short supply. Complete information on license requirements and forms can be accessed on the Bureau of Industry and Security website at [www.bis.doc.gov](http://www.bis.doc.gov).

### *Packing List*

This is not a mandatory document. However, including a packing list should facilitate customs clearance of goods.

### *Certificate of Origin*

A certificate of origin is not, as a general rule, required under Belgian regulations for imports from the U.S. except when the certificate is specifically demanded in the import

license. Sometimes certificates of origin are requested by the importer, bank, or required by a letter of credit clause. There are no regulations concerning the form and preparation of the certificate, but the data it contains has to be certified by a Chamber of Commerce, which will probably require an additional notarized file copy. Under EU regulations, certificates of origin may be required for certain goods, including goods subject to surveillance and/or quota requirements. Importers will instruct their suppliers when certificates of origin are required.

#### *Insurance Certificate*

Normal commercial practices pertain. Follow the instructions of the importer and the insurance company.

#### *Steamship Company Certificate*

There are no known requirements.

#### *Import License*

The vast majority of goods from the U.S. do not require an import license (as long as the importer is Belgian).

#### *U.S. Shippers Export Declaration*

This is required if the value of the shipment is more than \$2,500 (\$500 for shipments through the U.S. postal service) or where a validated license is needed. The \$2,500 exemption (\$500 for shipments through the U.S. postal service) applies to goods under each Schedule B number in a single shipment from one exporter to one importer.

#### *Consular Fees*

There is no known general requirement to have documents legalized. If requested to legalize a shipping or legal document, Belgian officials will usually do so for a nominal fee. Please verify the policy of the consular office used regarding this matter.

### **Temporary Entry**

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Legislation exists that exempts goods brought into Belgium for re-export from import duties and VAT. Such goods must be kept in a bonded warehouse until they are re-exported. The shipment does not have to be re-exported in total. The portion of the shipment destined for the local or EU market is liable for duties and VAT at the time when the importation takes place. Additionally, goods may be sorted, repacked and relabeled in bonded warehouses. Many customs clearing agents in the main ports and airports are able to provide these services in bonded warehouses.

For temporary entry of goods, Belgium accepts an ATA Carnet. An ATA Carnet is an international customs document that simplifies customs procedures for the temporary importation of commercial samples, professional equipment and goods for exhibitions and fairs. The Carnet facilitates international business by avoiding extensive Customs procedures, eliminating payment of duties and value-added taxes and eliminating the purchase of temporary import bonds. The document is valid for up to one year, and can be used for multiple shipments between the United States and Belgium. The United Council for International Business has been designated by the U.S. Treasury Department as the sole issuer and guarantor of ATA Carnets in the United States. For more information, visit the United States Council for International Business at

[www.uscib.org](http://www.uscib.org) or call (202) 702-5078.

## **Labeling and Marking Requirements**

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An overview of EU mandatory and voluntary labeling and marking requirements has been compiled in a market research report that is available on <http://www.export.gov/mrktresearch/index.asp>

The subject has been also been covered in the section about standards (see below)

## **Prohibited and Restricted Imports**

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The TARIC is designed to show various rules applying to specific products being imported into the customs territory of the EU or, in some cases, when exported from it. To determine if a product is prohibited or subject to restriction, check column five of the TARIC for that product for the following codes:

CITES Convention on International Trade of Endangered Species

PROHI            Import Suspension

RSTR            Import Restriction

For information on how to access the TARIC, see the Import Requirements and Documentation Section above.

*Key Link:* [http://ec.europa.eu/taxation\\_customs/common/databases/taric/index\\_en.htm](http://ec.europa.eu/taxation_customs/common/databases/taric/index_en.htm)

## **Customs Regulations and Contact Information**

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Regulation 648/2005 is the "Security Amendment" to the Customs Code (Regulation 2913/92) and outlines the implementing provisions for Authorized Economic Operators, risk management procedures, pre-departure declarations, and improved export controls.

Tariffs and Import Taxes: Information on customs valuation is contained in Title II, Chapter Three, of Council Regulation (EEC) 2913/92, establishing the Community Customs Code, titled, "Value of Goods for Customs Purposes" (Articles 28 through 36). The primary basis for determining customs value set out in Articles 29 is:

"... the transaction value, that is, the price actually paid or payable for the goods when sold for export to the customs territory of the Community..."

Article 29 lists the following conditions, which must be met in determining customs value:

- There are no restrictions as to the disposal or use of the goods by the buyer, other than restrictions which are imposed or required by a law or by the public authorities



in the community, limit the geographical area in which the goods may be resold, or do not substantially affect the value of the goods;

- The sale or price is not subject to some conditional consideration for which a value cannot be determined with respect to the goods being valued;
- No part of the proceeds of any subsequent resale disposal or use of the goods by the buyer will accrue directly or indirectly to the seller, unless an appropriate adjustment can be made in accordance with Article 32; and
- The buyer and seller are not related, or, where the buyer and seller are related, that the transaction value is acceptable for customs purposes.

The "price actually paid or payable" in Article 29 refers to the price for the imported goods. Thus the flow of dividends or other payments from the buyer to the seller that do not relate to the imported goods are not part of the customs value.

Articles 32 and 33 provide for adjustments to the value for customs purposes. Article 32 lists charges that are added to the customs value, such as, commissions and brokerage, costs of containers, packing, royalties and license fees, and the value of goods and services supplied directly or indirectly by the buyer in connection with the production and sale for export of the imported goods. Article 33 lists charges that are not included in the customs value, such as, charges for transport, charges incurred after importation, charges for interest under a financing arrangement for the purchase of the goods, charges for the right to reproduce imported goods in the Community, and buying commissions.

Effective July 1, 1995, the Commission amended Article 147(1) of Regulation 2454/93 of the Customs Code which affects valuation in the case of successive sales. This amendment "defaults" valuation to the last sale, but allows the value of an earlier sale if it can be demonstrated that such a sale took place for export to the EU. The evidentiary requirements to support the bona fides of any earlier sales will be based upon commercial documents such as purchase orders, sales contracts, commercial invoices, and shipping documents.

*Key Link:* [http://ec.europa.eu/taxation\\_customs/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/customs/index_en.htm)

For contact information at national customs authorities, please visit:  
[http://ec.europa.eu/taxation\\_customs/common/links/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/common/links/customs/index_en.htm)

## Standards

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Products tested and certified in the United States to American standards are likely to have to be retested and re-certified to EU requirements as a result of the EU's different approach to the protection of the health and safety of consumers and the environment. Where products are not regulated by specific EU technical legislation, they are always subject to the EU's General Product Safety Directive as well as to possible additional national requirements.

European Union standards created under the New Approach are harmonized across the 25 EU Member States and European Economic Area countries to allow for the free flow of goods. A feature of the New Approach is CE marking. While harmonization of EU legislation can facilitate access to the EU Single Market, manufacturers should be aware that Regulations and technical standards might also function as barriers to trade if U.S. standards are different from those of the European Union.

The European Union is currently undertaking a major revision of the New Approach which will enhance some aspects, especially in the areas of market surveillance. To follow the revision, please visit [http://ec.europa.eu/enterprise/newapproach/review\\_en.htm](http://ec.europa.eu/enterprise/newapproach/review_en.htm)

### **Agricultural Standards**

The establishment of harmonized EU rules and standards in the food sector has been ongoing for several decades, but it took until January 2002 for the publication of a general food law establishing the general principles of EU food law. This Regulation introduced mandatory traceability throughout the feed and food chain as of Jan 1, 2005. For specific information on agricultural standards, please refer to the Foreign Agricultural Service's website at:

<http://useu.usmission.gov/agri/>

### **Standards Organizations**

EU standards setting is a process based on consensus initiated by industry or mandated by the European Commission and carried out by independent standards bodies, acting at the national, European or international level. There is strong encouragement for non-governmental organizations, such as environmental and consumer groups, to actively participate in European standardization.

Many standards in the EU are adopted from international standards bodies such as the International Standards Organization (ISO). The drafting of specific EU standards is handled by three European standards organizations:

- CENELEC, European Committee for Electrotechnical Standardization (<http://www.cenelec.org/Cenelec/Homepage.htm>)
- ETSI, European Telecommunications Standards Institute (<http://www.etsi.org/>)

- CEN, European Committee for Standardization, handling all other standards (<http://www.cen.eu/cenorm/index.htm>)

Standards are created or modified by experts in Technical Committees or Working Groups. The members of CEN and CENELEC are the national standards bodies of the Member States, which have "mirror committees" that monitor and participate in ongoing European standardization. CEN and CENELEC standards are sold by the individual Member States standards bodies. ETSI is different in that it allows direct participation in its technical committees from non-EU companies that have interests in Europe and gives away its individual standards at no charge on its website. In addition to the three standards developing organizations, the European Commission plays an important role in standardization through its funding of the participation in the standardization process of small- and medium-sized companies and non-governmental organizations, such as environmental and consumer groups. The Commission also provides money to the standards bodies when it mandates standards development to the European Standards Organization for harmonized standards that will be linked to EU technical Regulations. In the last year, the Commission began listing their mandates on line and they can be seen at [http://ec.europa.eu/enterprise/standards\\_policy/mandates/](http://ec.europa.eu/enterprise/standards_policy/mandates/). All the EU harmonized standards, which provide the basis for CE marking, can be found on <http://www.newapproach.org/>.

Due to the EU's vigorous promotion of its regulatory and standards system as well as its generous funding for its business development, the EU's standards regime is wide and deep - extending well beyond the EU's political borders to include affiliate members (countries which are hopeful of becoming full members in the future) such as Albania, Bulgaria, Croatia, FYR of Macedonia, and Turkey. Another category, called "partner standardization bodies" includes the standards organizations of Bosnia and Herzegovina, Egypt, Serbia and Montenegro, Russia, Tunisia, the Ukraine and Australia, which are not likely to join the EU or CEN any time soon, but have an interest in participating in specific CEN technical committees. They agree to pay a fee for full participation in certain technical committees and agree to implement the committee's adopted standards as national standards. Many other countries are targets of the EU's extensive technical assistance program, which is aimed at exporting EU standards and technical Regulations to developing countries, especially in the Mediterranean and Balkan countries, Africa, as well as smaller programs for China and Latin America.

To know what CEN and CENELEC have in the pipeline for future standardization, it is best to visit their websites. CEN's "business domain" page provides an overview by sector and/or technical committee whereas CENELEC offers the possibility to search its database. ETSI's portal ([http://portal.etsi.org/Portal\\_Common/home.asp](http://portal.etsi.org/Portal_Common/home.asp)) leads to ongoing activities.

With the need to adapt more quickly to market needs, European standards organizations have been looking for "new deliverables" which are standard-like products delivered in a shorter timeframe. While few of these "new deliverables" have been linked to EU Regulations, expectations are that they will eventually serve as the basis for EU-wide standards.

*Key Link:* <http://www.cenorm.be/cenorm/workarea/sectorfora/index.asp>.

### **NIST Notify U.S. Service**

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries.

**Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL:

<http://www.nist.gov/notifyus/>

### **Conformity Assessment**

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Conformity Assessment is a mandatory step for the manufacturer in the process of complying with specific EU legislation. The purpose of conformity assessment is to ensure consistency of compliance during all stages of the production process to facilitate acceptance of the final product. EU product legislation gives manufacturers some choice with regard to conformity assessment, depending on the level of risk involved in the use of their product. These range from self-certification, type examination and production quality control system, to full quality assurance system. You can find conformity assessment bodies in individual Member State country in this list by the European Commission.

*Key Link:* <http://ec.europa.eu/enterprise/newapproach/nando/>

To promote market acceptance of the final product, there are a number of voluntary conformity assessment programs. CEN's certification systems are the Keymark, the CENCER mark, and the European Standard Agreement Group. CENELEC has its own initiative. ETSI does not offer conformity assessment services.

### **Product Certification**

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To sell products on the EU market of 25 Member States as well as Norway, Liechtenstein and Iceland, U.S. exporters are required to apply CE marking whenever their product is covered by specific product legislation. CE marking product legislation offers manufacturers a number of choices and requires decisions to determine which safety/health concerns need to be addressed, which conformity assessment module is best suited to the manufacturing process, and whether or not to use EU-wide harmonized standards. There is no easy way for U.S. exporters to understand and go through the process of CE marking, but hopefully this section provides some background and clarification.

Products manufactured to standards adopted by CEN, CENELEC and ETSI, and published in the Official Journal as harmonized standards, are presumed to conform to the requirements of EU Directives. The manufacturer then applies the CE marking and issues a declaration of conformity. With these, the product will be allowed to circulate freely within the EU. A manufacturer can choose not to use the harmonized EU standards, but then must demonstrate that the product meets the essential safety and performance requirements. Trade barriers occur when design, rather than performance, standards are developed by the relevant European standardization organization, and

when U.S. companies do not have access to the standardization process through a European presence.

The CE marking addresses itself primarily to the national control authorities of the Member States, and its use simplifies the task of essential market surveillance of regulated products. Although CE marking is intended primarily for inspection purposes by Member State inspectors, the consumer may well perceive it as a quality mark.

The CE marking is not intended to include detailed technical information on the product, but there must be enough information to enable the inspector to trace the product back to the manufacturer or the authorized representative established in the EU. This detailed information should not appear next to the CE marking, but rather on the declaration of conformity, the certificate of conformity (which the manufacturer or authorized agent must be able to provide at any time, together with the product's technical file), or the documents accompanying the product.

## Accreditation

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Independent certification bodies, known as notified bodies, have been officially accredited by competent authorities to test and certify to EU requirements. However, under U.S.-EU Mutual Recognition Agreements (MRAs), notified bodies based in the United States and referred to as conformity assessment bodies, are allowed to test in the United States to EU specifications, and vice versa. The costs are significantly lower which results in U.S. products becoming more competitive. At this time, the U.S.-EU MRAs cover the following sectors: EMC (in force), RTTE (in force), medical devices (in transition), pharmaceutical (on hold), recreational craft (in force) and marine equipment (in force). The U.S. Department of Commerce, National Institute of Standards and Technology (NIST), has a link on its website to American and European Conformity Assessment bodies operating under a mutual recognition agreement.

*Key Link:* <http://ts.nist.gov/Standards/Global/mra.cfm>

Accreditation is handled at Member State level. "European Accreditation" ([http://www.european-accreditation.org/default\\_flash.htm](http://www.european-accreditation.org/default_flash.htm)) is an organization representing nationally recognized accreditation bodies. Membership is open to nationally recognized accreditation bodies in countries in the European geographical area that can demonstrate that they operate an accreditation system compatible with EN45003 or ISO/IEC Guide 58.

## Publication of Technical Regulations

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The Official Journal is the official gazette of the European Union. It is published daily and consists of two series covering draft and adopted legislation as well as case law, questions from the European Parliament, studies by committees, and more (<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>). It lists the standards reference numbers linked to legislation (<http://www.newapproach.org/Directives/DirectiveList.asp>). National technical Regulations are published on the Commission's website <http://ec.europa.eu/comm/enterprise/tris/> to allow other countries and interested parties to comment.

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical Regulations that could affect trade with other member countries. **Notify Us** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical Regulations that can affect your access to international markets. Register online at Internet URL: <http://tsapps.nist.gov/notifyus/data/index/index.cfm>

## Labeling and Marking

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Manufacturers should be mindful that, in addition to the EU's mandatory and voluntary schemes, national voluntary labeling schemes might still apply. These schemes may be highly appreciated by consumers, and thus, become unavoidable for marketing purposes.

Manufacturers are advised to take note that all labels require metric units although dual labeling is also acceptable until end of December 2009. The use of language on labels has been the subject of a Commission Communication, which encourages multilingual information, while preserving the right of Member States to require the use of language of the country of consumption.

The EU has mandated that certain products be sold in standardized quantities. Council Directive 80/232/EC provides permissible ranges of nominal quantities, container capacities and volumes for a variety of products. Please note that this legislation is currently being reviewed in an effort to simplify it.

### *Key Link:*

<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31980L0232:EN:HTML>

## ***The Eco-label***

EU legislation in 1992, revised in 2000, distinguishes environmentally friendly products and services through a voluntary labeling scheme called the Eco-label. Currently, the scheme applies to 7 product groups: cleaning products, appliances, paper products, clothing, lubricants, home and garden products and tourism services. The symbol, a green flower, is a voluntary mark. The Eco-label is awarded to producers who can show that their product is less harmful to the environment than such similar products. This "green label" also aims to encourage consumers to buy green products. However, the scheme does not establish ecological standards that all manufacturers are required to meet to place product on the market. Products without the EU Eco-label can still enter the EU as long as they meet the existing health, safety, and environmental standards and Regulations.

The EU Eco-label is a costly scheme (up to EUR 1,300 for registration and up to EUR 25,000/year for the use of the label, with a reduction of 25 percent for SMEs) and has therefore not been widely used so far. However, the Eco-label can be a good marketing

tool and, given the growing demand for green products in Europe, it is likely that the Eco-label will become more and more a reference for green consumers.

*Key Links:*     [http://buyusainfo.net/docs/x\\_4284752.pdf](http://buyusainfo.net/docs/x_4284752.pdf)  
                      [http://ec.europa.eu/comm/environment/ecolabel/index\\_en.htm](http://ec.europa.eu/comm/environment/ecolabel/index_en.htm)  
                      <http://www.eco-label.com/>.

In June 2005, the European Commission tabled a Communication designed to launch a debate on the best way ahead regarding the eco-labeling of fisheries products. This initiative follows the growing interest by environmental Non-Governmental Organizations and increased public interest in food products associated with considerations related to environmental sustainability. A number of eco-labeling schemes have already been established with regard to fisheries products and other initiatives are being developed. It is not always easy to establish how reliable some eco-labeling claims are. International guidelines on eco-labeling have recently been adopted by the [Food and Agriculture Organization \(FAO\)](http://www.fao.org) ([www.fao.org](http://www.fao.org)) and discussions on these issues and their potential effects on free trade areas are progressing in other international fora such as the [World Trade Organization \(WTO\)](http://www.wto.org) ([www.wto.org](http://www.wto.org)).

Companies selling a broad range of electrical goods in Europe are required to comply with the Waste Electrical and Electronic Equipment Directive (WEEE) and since July 2006 they need to conform to the Restriction of Use of certain Hazardous Substances Directive (RoHS). One of the requirements is that electrical goods be marked so that consumers do not put them in with municipal waste. For details on WEEE and RoHS requirements and implementation, please see the following website: <http://www.buyusa.gov/europeanunion/weee.html>.

Manufacturers and distributors should be aware of specific requirements regarding the labeling and traceability of foodstuffs, including seafood, which are covered by several EU Regulations:

- Regulation 178/2002/EC
- Directive 2000/13/EC, last amended by Directive 2003/89/EC as regards indication of the ingredients present in foodstuffs.
- Commission Directive 2005/26/EC.
- Council Regulation 104/2000/EC (seafood)
- Commission Regulation 2065/2001/EC (seafood, only for retail channels)

## **Contacts**

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Listed below are Belgian government offices that can provide information on specific restrictions and control measurements:

Products that are subject to import restrictions and Country of Origin Certificate for the import of textile products:

Ministry of Economic Affairs  
Office of Licenses  
Rue Général Leman 60



Tel: +32/2 206-5811  
Fax: +32/2 230-8322  
Internet: [www.mineco.fgov.be](http://www.mineco.fgov.be)

Agricultural products that are subject to an import certificate:  
Belgium Bureau for Intervention and Restitution  
Trierstraat 82  
B-1040 Brussels, Belgium  
Tel: +32/2 287-2411  
Fax: +32/2 280-0307  
Internet: [www.birb.be](http://www.birb.be)

Regulations for the marketing of wine:  
Ministry of Economic Affairs  
Office Economic Inspections  
City Atrium C – Vooruitgangstraat 50  
B-1210 Brussels, Belgium  
Tel: +32/2 277-8296  
e-mail: [eco.inspec@mineco.fgov.be](mailto:eco.inspec@mineco.fgov.be)  
Internet: [www.mineco.fgov.be](http://www.mineco.fgov.be)

Live animals, animal products, plants, fruits and vegetables, food products:  
Federal Food Agency  
WTC III - Simon Bolivarlaan 30  
B-1000 Brussels, Belgium  
Tel: +32/2 208-3411  
Fax: +32/2 208-3591  
Internet: <http://www.favv.be/>

and

Country of Origin Certificate for the import of textile products:  
Ministry of Economic Affairs  
Office of Licensing  
Rue Général Leman 60  
B-1040 Brussels, Belgium  
Tel: +32/2 206-5811  
Fax: +32/2 230-8322  
Internet: [www.mineco.fgov.be](http://www.mineco.fgov.be)

Other food:

Ministry of Health  
General Food Inspection  
Eurostation, Blok II (9E10)  
Victor Hortaplein 40 bus 10  
1060 Brussel  
Tel. +32/2 210 4843



Fax: +32/2 210-4816  
Internet: [www.health.fgov.be](http://www.health.fgov.be)

Product safety:  
Ministry of Economic Affairs  
Office Quality and Safety  
Koning Albert II-laan 16  
B-1000 Brussels, Belgium  
Tel: +32/2 206-4681  
Fax: +32/2 206-5752  
Internet: [www.mineco.fgov.be](http://www.mineco.fgov.be)

Import of narcotics and psychotropic substances:  
Ministry of Health  
Director-General Public Health Protection: Medicinal Products  
Pachecolaan 19, bus 5  
B-1010 Brussels, Belgium  
Tel: +32/2 524-9090  
Internet: <http://www.health.fgov.be/>

## Trade Agreements

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For a list of trade agreements with the EU and its Member States, as well as concise explanations, please see [http://tcc.export.gov/Trade\\_Agreements/index.asp](http://tcc.export.gov/Trade_Agreements/index.asp)

## Web Resources

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Office of the U.S. Trade Representative  
<http://www.ustr.gov/>

U.S. Mission to the EU (USEU) website  
<http://www.useu.be> or <http://useu.usmission.gov/>

Foreign Agricultural Service website, USEU  
<http://www.useu.be/agri/usda.html>

Trade Compliance Center  
<http://www.trade.gov/tcc>

U.S. Mission to the European Union  
<http://www.buyusa.gov/europeanunion>

USDA Audit, Review & Compliance  
<http://www.ams.usda.gov/lsg/arc/audit.htm>

EC's TARIC – online customs tariff database  
[http://ec.europa.eu/comm/taxation\\_customs/common/databases/taric/index\\_en.htm](http://ec.europa.eu/comm/taxation_customs/common/databases/taric/index_en.htm)

Batteries

[http://www.buyusainfo.net/docs/x\\_8086174.pdf](http://www.buyusainfo.net/docs/x_8086174.pdf)

WEEE & RoHS

<http://www.buyusa.gov/europeanunion/weee.html>

Harmonized import requirements

<http://www.useu.be/agri/certification.html>

EU Hygiene guidelines

[Commission Regulation 2073/2005](#)

[Commission Regulation 2074/2005](#)

[Commission Regulation 2076/2005](#)

National Marine Fisheries Service's Trade & Commercial Services website

<http://www.nmfs.noaa.gov/ocs/tradecommercial>

USDA Center for Food Safety and Applied Nutrition

<http://www.cfsan.fda.gov/>

EU mandatory and voluntary labeling and marking requirements

<http://www.export.gov/mrktresearch/index.asp>

EC Taxation and Customs Union

[http://ec.europa.eu/comm/taxation\\_customs/customs/index\\_en.htm](http://ec.europa.eu/comm/taxation_customs/customs/index_en.htm)

National customs authorities

[http://ec.europa.eu/taxation\\_customs/common/links/customs/index\\_en.htm](http://ec.europa.eu/taxation_customs/common/links/customs/index_en.htm)

EC Regulation on animal by-products

<http://ec.europa.eu/scadplus/leg/en/lvb/f81001.htm>

Major Revision of the New Approach

[http://ec.europa.eu/enterprise/newapproach/review\\_en.htm](http://ec.europa.eu/enterprise/newapproach/review_en.htm)

EC Certification of Animal Products

<http://useu.usmission.gov/agri/certification.html>

EU-approved U.S. Establishments

<http://useu.usmission.gov/agri/estab.html>

EU Marketing Standards for Fruits & Vegetables

<http://useu.usmission.gov/agri/Fruit-Veg.html>

Non-Hormone Treated Cattle (NHTC) Program

<http://www.ams.usda.gov/lsg/arc/nhtc.htm>

Organic Foods Legislation

<http://useu.usmission.gov/agri/organic.html>

CENELEC, European Committee for Electrotechnical Standardization

<http://www.cenelec.org/Cenelec/Homepage.htm>

ETSI, European Telecommunications Standards Institute  
<http://www.etsi.org/>

CEN, European Committee for Standardization  
<http://www.cen.eu/cenorm/index.htm>

Standardization mandates  
[http://ec.europa.eu/enterprise/standards\\_policy/mandates/](http://ec.europa.eu/enterprise/standards_policy/mandates/)

ANSI, American National Standards Institute  
<http://www.ansi.org/>

New Approach Legislation and Standardization in the Internal Market  
<http://www.newapproach.org/>

ETSI's e-Standardization portal  
[http://portal.etsi.org/Portal\\_Common/home.asp](http://portal.etsi.org/Portal_Common/home.asp)

Advisory and coordinating bodies to CEN  
<http://www.cenorm.be/cenorm/workarea/sectorfora/index.asp>

Accredited test laboratories in the EU  
<http://ec.europa.eu/enterprise/newapproach/nando/>

Government-to-Government Mutual Recognition Agreement Information  
<http://ts.nist.gov/Standards/Global/mra.cfm>

European co-operation for Accreditation  
[http://www.european-accreditation.org/default\\_flash.htm](http://www.european-accreditation.org/default_flash.htm)

European Union law portal  
<http://europa.eu.int/eur-lex/lex/JOIndex.do?ihmlang=en>

List of EU Directives and Standards  
<http://www.newapproach.org/Directives/DirectiveList.asp>

EC Technical Regulations Information System  
<http://ec.europa.eu/comm/enterprise/tris/>

Proposed Foreign Technical Regulations  
<http://tsapps.nist.gov/notifyus/data/index/index.cfm>

EC Directive on packaging  
<http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:31980L0232:EN:HTML>

EU Eco-label Homepage  
[http://buyusainfo.net/docs/x\\_4284752.pdf](http://buyusainfo.net/docs/x_4284752.pdf)  
[http://ec.europa.eu/comm/environment/ecolabel/index\\_en.htm](http://ec.europa.eu/comm/environment/ecolabel/index_en.htm)  
<http://www.eco-label.com/>

FAO

[www.wto.org](http://www.wto.org)

Food and Agriculture Organization (FAO)

WTO

[www.wto.org](http://www.wto.org)

World Trade Organization (WTO)

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## Chapter 6: Investment Climate

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### Openness to Foreign Investment

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Belgium has traditionally maintained an open economy, highly dependent on imports and international trade for its well-being. Since WWII, foreign investment has played a vital role in the Belgian economy, providing technology and employment. Both the federal and the regional governments encourage foreign investment on a national treatment basis. Foreign corporations account for about one-third of the top 3,000 corporations in Belgium.

### Conversion and Transfer Policies

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Payments and transfers within Belgium and with foreign countries require no prior authorization. Transactions may be executed in euros as well as in other currencies.

On May 1, 1998, Belgium was one of the 11 EU member states that agreed to form a de facto currency union (European monetary union), with the euro as its single currency. On January 1, 1999, exchange rates were irrevocably fixed among euro zone currencies, with 1 euro equal to 40.3399 Belgian Francs (bf). Euro coins and bank notes were introduced in early 2002. Old bf notes can only be exchanged for euros at National Bank of Belgium offices; old bf coins can no longer be converted as of January 1, 2005.

Belgium has no debt-to-equity requirements. Dividends may be remitted freely, except in cases in which distribution would reduce net assets to less than paid-up capital. No further withholding tax or other tax is due on repatriation of the original investment or on the profits of a branch, either during its operations or upon the closing thereof.

## **Expropriation and Compensation**

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There are no outstanding expropriation or nationalization cases in Belgium with U.S. investors. There is no pattern of discrimination against foreign investment in Belgium.

When the Belgian government does use its eminent domain powers to acquire property compulsorily for a public purpose, adequate compensation is paid to the property owners. Recourse to the courts is available if necessary. The only expropriations that occurred during the last decade were related to infrastructure projects such as port expansion, roads, and railroads. In the future, expropriations to reserve space for nuclear waste storage are expected, but the sites will not be near areas of existing economic activity.

## **Dispute Settlement**

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Belgium's legal system is independent of the government and is a means for resolving commercial disputes or protecting property rights. As in many countries, the Belgian courts labor under a growing caseload and backlogs cause delays. There are several levels of appeal.

Bankruptcy in Belgium is covered by an 1851 law and is under the supervision of the commercial courts. Bankruptcy applies only to businesses and may be initiated by a creditor or the company. The commercial court appoints both a judge-auditor to preside over the bankruptcy proceeding and a receiver responsible for selling available assets to pay creditors. Belgian bankruptcy law recognizes several classes of preferred or secured creditors. Judgments in commercial cases, including bankruptcy cases, are generally made in euros. Belgium has a system under which firms in difficulty can restructure their debts through agreement with their creditors. This system is in some respects similar to chapter 11 in the U.S.

Belgium is a member of the international center for the settlement of investment disputes (ICSID) and regularly includes provision for ICSID arbitration in investment agreements. The government accepts binding international arbitration of disputes between foreign investors and the state; the most recent example is the international arbitration between the Belgian and the Dutch governments regarding a railway line dispute.

## **Performance Requirements and Incentives**

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Since the law of August 1980 on regional devolution in Belgium, investment incentives and subsidies have been the responsibility of Belgian's three regions: Brussels, Flanders, and Wallonia. Nonetheless, most tax measures remain under the control of the federal government, as do the parameters (social security, wage agreements) that govern general salary and benefit levels. In general, all regional and national incentives are available to foreign and domestic investors alike. Belgian investment incentive programs at all levels of government are limited by EU regulations, and thus are kept in line with those of the other EU member states. The European commission has tended to discourage certain investment incentives, in the belief that they distort the single

market, impair structural change, and threaten EU convergence as well as social and economic cohesion.

Under the Belgian constitution, promotion of foreign investment is the responsibility of the Belgian regions through the regional investment agencies - Flanders Foreign Investment office (FFIO), the Office for Foreign Investment (OFI) in Wallonia, and the Brussels Enterprise Agency. In their investment policies, the regions emphasize promoting innovation, research and development, energy saving, environmental cleanliness, exports, and most of all, employment. In order to provide coordinated service to foreign investors, the Belgian government established a Federal Agency for Foreign Investors (FAFI), in 1996, at the Ministry of Economic Affairs. This agency is controversial with the regional governments. In addition, the Finance Ministry established a foreign investment tax unit in 2000 to provide assistance and to make the tax administration more "user friendly" to foreign investors.

Performance requirements in Belgium usually relate to the number of jobs created. There are no known cases where export targets or local purchase requirements were imposed, with the exception of military offset programs, which were reintroduced by the Verhofstadt II government. While the government reserves the right to reclaim incentives if the investor fails to meet his employment commitments, enforcement is rare. In one case in the 1990s, the Flemish administration sued an American firm to recover incentives after the firm was forced by environmental regulations to close its plant.

In 2005 the Belgian Federal Finance Ministry proposed a new investment incentive program in the form of a notional interest rate deduction. This was adopted by Parliament, and as of January 1, 2006, the new tax law will permit a corporation established in Belgium, whether foreign or domestic, to deduct from its taxable profits a percentage of its adjusted net assets linked to the rate of the Belgian long-term state bond. The new law permits all companies operating in Belgium to deduct the "notional" interest rate that would be paid on their locally invested capital - whether or not they actually had paid such interest. This amount gets deducted from profits, thus lowering the sum on which Belgian corporate taxes (currently 33.99%) are calculated. For FY 2007, the Belgian bond interest rate is projected at 4.1 percent, therefore a company could deduct from its profits 4.1 percent of its qualifying net capital. The applicable interest rate will be adjusted annually, but will never be allowed to vary more than 1 percent (100 basis points) in one year nor exceed 6.5 percent. Further information on this deduction can be found at the Belgian government's website.

## **Right to Private Ownership and Establishment**

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Both domestic and foreign private entities have the right to establish business enterprises. This right is well established in Belgium's constitution and in law. The right to acquire or sell interests in business enterprises is similarly protected by law.

No restrictions in Belgium apply specifically to foreign investors. Foreign interests may enter into joint ventures and partnerships on the same basis as domestic parties, except for certain professions such as doctors, lawyers, accountants and architects. All investors, Belgian or foreign, must obtain special permission to open department stores, provide transportation services, produce and sell certain food items, cut and polish

diamonds, or sell firearms and ammunition.

There is competitive equality between public and private enterprises with respect to market access, credit and other business operations such as licenses and supplies.

### **Protection of Property Rights**

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Property rights in Belgium are well protected by law. The courts are independent and considered effective in enforcing property rights. Belgium generally meets very high standards in the protection of intellectual property rights. Rights granted under American patent, trademark, or copyright law can only be enforced in the United States, its territories and possessions. The European Union has taken a number of initiatives to promote intellectual property protection, but in cases of non-implementation, national laws continue to apply. Despite legal protection of intellectual property, Belgium experiences the commercial and private infringement - particularly internet music piracy and software copying – common to most EU states.

### **Transparency of Regulatory System**

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The Belgian government has adopted a generally transparent competition policy and effective laws foster competition. Tax, labor, health, safety, and other laws and policies to avoid distortions or impediments to the efficient mobilization and allocation of investment exist comparable to those in other European Union member states. Nevertheless, foreign and domestic investors in some sectors face stringent regulations designed to protect small- and medium-sized enterprises. Many companies in Belgium also try to limit their number of employees to 49, the threshold above which certain employee committees must be set up, such as for safety and trade union interests.

Recognizing the need to streamline administrative procedures in many areas, the federal government set up a special task force in 1998 to simplify official procedures. It also agreed to streamline laws regarding the telecommunications sector into one comprehensive volume after new entrants in this sector had complained about a lack of transparency. The American Chamber of Commerce has called attention to the adverse impact of cumbersome procedures and unnecessary red tape on foreign investors, although foreign companies do not necessarily suffer more from this than Belgium firms.

### **Efficient Capital Markets and Portfolio Investment**

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Belgium has in place policies to facilitate the free flow of financial resources. Credit is allocated at market rates and is available sufficiently to foreign and domestic investors without discrimination. Belgium is fully served by the international banking community and is implementing all relevant EU financial directives.

Because the Belgian economy is directed toward international trade, more than half of its banking activities involve foreign countries. Belgian's major banks are represented in the financial and commercial centers of dozens of countries by subsidiaries, branch offices and representative offices. In 2006 104 different banks were represented in



Belgium; 54 Belgian or foreign-owned institutions are incorporated under Belgian law, and 50 institutions are incorporated under foreign law. Belgium is one of the countries with the highest number of banks per capita in the world; nonetheless it is a highly concentrated banking market, with 85 percent of bank deposits held by the five largest banks. Mergers and acquisitions were a prominent feature in the Belgian banking sector throughout the 1990s. The total assets of the banking system in 2006 were approximately \$1,425 billion. The banking system is considered sound. The country's banks use modern, automated systems for domestic and international transactions. The Society for Worldwide Interbank Financial Telecommunications (SWIFT) has its headquarters in Brussels. Euroclear, a clearing entity for transactions in stocks and other securities, is also located in Brussels.

Belgium also has a well-established stock market. In fact, the first stock market ever was organized in Antwerp in the 14th century. At the end of 2000, the Brussels stock market merged with the Paris and Amsterdam bourses into Euronext, a Pan-European stock-trading platform. In 2006, Euronext and NY Stock Exchange shareholders voted to merge the two exchanges, which is expected to happen in 2007. On the Euronext, a company may increase its capital either by capitalizing reserves or by issuing new shares. An increase in capital requires a legal registration procedure. New shares may be offered either to the public or to existing shareholders. Public notice is not required if the offer is to existing shareholders, who may subscribe to the new shares directly. An issue of bonds to the public is subject to the same requirements as a public issue of shares: the company's capital must be entirely paid up, and existing shareholders must be given preferential subscription rights.

In Belgium, there are many cases of cross-shareholding and stable shareholder arrangements, but never with the express intent to keep out foreign investors. Likewise, anti-takeover defenses are designed to protect against all potential hostile takeovers, not only foreign hostile takeovers.

## **Corruption**

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Belgian anti-bribery legislation was revised completely in March 1999, and the competence of Belgian courts was extended to extraterritorial bribery. Bribing foreign officials is a criminal offense in Belgium.

However, Belgium, while asserting nationality jurisdiction, makes nationality jurisdiction principles contingent upon the principles of dual criminality or reciprocity, thus requiring that the laws of the country whose official is bribed or a third country where the bribe is paid also prohibits bribery of foreign officials. According to the U.S. Department of Commerce publication "Addressing the Challenges of International Bribery and Fair Competition, 2001," which reviews foreign government implementing legislation, under Article 3 of the Belgian criminal code, jurisdiction is established over offenses committed within Belgian territory by Belgian or foreign nationals. Act 99/808 added article 10 related to the code of criminal procedure. This provides for jurisdiction in certain cases over persons (foreign as well as Belgian nationals) who commit bribery offenses outside the territory of Belgium. Various limitations apply, however. For example, if the bribe recipient exercises a public function in an EU member state, Belgian prosecution may not proceed without the formal consent of the other state.

Under Belgian law, the definition of corruption is extended considerably. Henceforth, it will count as passive bribery if a government official or employer requests or accepts a benefit for himself or somebody else in exchange for behaving in a certain way. Active bribery is defined as the proposal of a promise or benefit in exchange for undertaking a specific action. Until 1999, Belgian anti-corruption law did not cover attempts at passive bribery. The most controversial innovation was the introduction of the concept of 'private corruption', i.e. corruption among private individuals. Corruption by public officials carries heavy fines and/or imprisonment between 5 and 10 years. Private individuals face similar fines and slightly shorter prison terms (between six months and 2 years). The current law not only holds individuals accountable, but also the company for which they work. Contrary to earlier legislation, payment of bribes to secure or maintain public procurement or administrative authorization through bribery in foreign countries is no longer tax deductible. Recent court cases in Belgium suggest that corruption is most serious in government procurement, defense contracting, and public works contracting. American companies have not, however, identified corruption as a barrier to investment.

The responsibility for enforcing corruption laws is shared by the Ministry of Justice through investigating magistrates of the courts and the Ministry of the Interior through the Belgian federal police, which has jurisdiction in all criminal cases. A special unit, the Central Service for Combating Corruption, has been created for enforcement purposes, but still lacks the necessary staff.

In a 1990s corruption case, eight persons were convicted, including a former defense minister. The court found that the minister's immediate staff had commissioned research surveys and projects from a specific research institute. The institute had refunded part of its fees to the minister's staff, which used the money for paying salaries of certain ministerial aides and for campaign funds. The former minister was given a suspended two-year prison sentence, a \$4,000 fine, and a five-year suspension of his civil and political rights.

The Court of Cassation (Belgium's highest court) conducted an investigation into corruption cases regarding the 1988 Agusta helicopter contract and contracts won by the French Dassault enterprise in 1988 for the update of Mirage fighters and for supplying electronic counter measures (ECM) equipment for Belgium's F-16 fighters. The investigation resulted in the conviction of ten high-ranking Belgium officials.

## **Bilateral Investment Agreements**

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Belgium has bilateral investment treaties in force with Albania, Algeria, Argentina, Armenia, Bangladesh, Bolivia, Bulgaria, Burkina Faso, Burundi, Chili, China, Croatia, Cyprus, Egypt, El Salvador, Estonia, Philippines, Gabon, Georgia, Hungary, Hong Kong, India, Indonesia, Yemen, Cameroon, Kazakhstan, Kuwait, Korea, Lebanon, Lithuania, Macedonia, Malta, Morocco, Mexico, Moldavia, Mongolia, Ukraine, Uzbekistan, Paraguay, Romania, Rwanda, Saudi Arabia, Singapore, Slovenia, South Africa, Sri-Lanka, Thailand, Czech Republic, Tunisia, Uruguay, Russia, Venezuela, Vietnam, and Zaire (now Congo). Additionally, Belgium and Luxembourg have jointly signed (as The Belgium Luxembourg Economic Union - BLEU) as-yet-unimplemented agreements with Cuba, Bulgaria, Liberia, Mauritania, and Thailand. Belgium and Luxembourg also have joint investment treaties with Poland and Russia, but these are not BLEU agreements.

All these agreements provide for mutual protection of investments.

## **OPIC and Other Investment Insurance Programs**

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Belgium, as a developed country, does not qualify for OPIC programs. No other countries operates investment insurance programs in Belgium.

## **Labor**

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The Belgian labor force is generally well trained, highly motivated and very productive. Workers have an excellent command of foreign languages, particularly in Flanders and the Brussels region. There is a low unemployment rate among skilled workers, such as local managers. Enlargement of the EU in May 2004 and January 2007 has facilitated the entry of skilled workers into Belgium from new member states, however registration procedures are required. Non-EU nationals must apply for work permits before they can be employed. Minimum wages vary according to the age and responsibility level of the employee, and are cost-of-living adjusted.

Belgian workers are highly unionized (63 percent<sup>[SRK1]</sup>), and usually enjoy good salaries and benefits. According to a recent study, Belgian wage and social security contributions, along with those in Germany, are among the highest in Western Europe. In recent years the unemployment rate as measured according to the EU's definition has diminished, but in 2006 registered slightly above the EU average at 8.2 percent. High wage levels and pockets of high unemployment coexist, reflecting both strong productivity in new technology sector investments and weak skills available from Belgium's long-term unemployed. (Their overall education level is significantly lower than that of the general population.) As a consequence of the high wage costs, over the years, employers have tended to invest more in capital than in labor. At the same time, a shortage exists of workers with training in computer hardware and software, automation and marketing. The resulting bottlenecks cause wage pressures.

Belgian's comprehensive social security package is composed of five major elements: family allowance, unemployment insurance, retirement, medical benefits and a sick leave program that guarantees salary in event of illness. Currently, average employer payments to the social security system stand at 35 percent of salary, while employee contributions comprise 13 percent. In addition, many private companies offer supplemental programs for medical benefits and retirement.

Belgian labor unions, while maintaining a national superstructure, are, in effect, divided along linguistic lines. The two main confederations, the Confederation of Christian Unions and the General Labor Federation of Belgium, maintain close relationships with the Christian Democratic and Socialist political parties, respectively. They exert a strong influence in the country -- politically and socially. A national bargaining process covers inter-professional agreements that the trade union confederations negotiate biennially with the government and the employers' associations. In addition to these negotiations, bargaining on wages and working conditions takes place in the various industrial sectors and at the plant level.

Foreign firms, which generally pay well, usually enjoy harmonious labor relations. Nonetheless, problems can occur, particularly in connection with the shutting down or restructuring of operations. Many strikes are one-day symbolic actions, but longer industrial actions have also occurred.

Firing a Belgian employee can be very expensive. An employee may be dismissed immediately for cause, such as embezzlement or other illegal activity, but when a reduction in force occurs, the procedure is far more complicated. For white-collar workers, the minimum standard is three months' notice or severance pay, or a combination of the two, for each five-year period or fraction thereof the employee has worked for the company. In the case of blue-collar workers, the minimum is four weeks' notice or the wage equivalent. Belgium is a strict adherent to ILO labor conventions.

In those instances where the employer and employee cannot agree on the amount of severance pay or indemnity, the case is referred to the courts for a decision. To avoid these complications, some firms consider providing for a "trial period" (of up to one year) in any employer-employee contract.

Belgium was one of the first countries in the EU to harmonize its legislation with the EU works council Directive of December 1994. Its flexible approach to the consultation and information requirements specified in the Directive compares favorably with that of other EU member states.

#### **Foreign-Trade Zones/Free Ports**

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There are no foreign trade zones or free ports as such in Belgium. However, the country utilizes the concept of customs warehouses. A customs warehouse is a warehouse approved by the customs authorities, where imported goods may be stored without payment of customs duties and VAT. Only non-EU goods can be placed under a customs warehouse regime. In principle, non-EU goods of any kind may be admitted, regardless of their nature, quantity, and country of origin or destination. Individuals and companies wishing to operate a customs warehouse must be established in the EU and obtain authorization from the customs authorities. Authorization may be obtained by filing a written request and by demonstrating an economic need for the warehouse.

#### **Foreign Direct Investment Statistics**

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**TABLE I**  
**BELGIUM DIRECT INVESTMENT POSITION IN THE U.S.**  
**2001 – 2005**  
(Millions of dollars - stock)

2001	2002	2003	2004	2005
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MANUFACTURING	7,360	3,150	3,391	4,101	3,209
WHOLESALE	300	1,239	1,619	2,585	1,305
RETAIL TRADE	NA	NA	NA	NA	NA
FINANCE	2,626	647	586	486	530
REAL ESTATE	NA	298	317	NA	NA
SERVICES	168	-33	69	-950	1,134
OTHER	1,555	1,861	1,420	2,015	2,128
TOTAL	15,623	10,096	10,678	11,735	9,712

SOURCE: UNITED STATES DEPARTMENT OF COMMERCE, SURVEY OF CURRENT BUSINESS, SEPTEMBER 2006

**TABLE II**  
**U.S. DIRECT INVESTMENT POSITION IN BELGIUM**  
**2001-2005**  
(Millions of dollars - stock)

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
MINING	NA	5	7	13	11
MANUFACTURING	6,381	7,664	8,230	7,621	3,875
WHOLESALE	2,026	2,235	2,708	3,485	2,339
BANKING	NA	NA	NA	788	829
FINANCE	6,787	7,417	7,437	9,401	9,580
SERVICES	1,602	1,810	1,434	4,098	4,407
OTHER	4,678	4,989	5,151	972	1,241
TOTAL	22,589	24,868	25,804	30,218	36,733

SOURCE: United States Department of Commerce, Survey of Current Business, September 2006

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## Chapter 7: Trade and Project Financing

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### How Do I Get Paid (Methods of Payment)

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Belgian importers are relatively small, and because they have fewer sources of inexpensive capital, they tend to press for the most lenient credit terms possible. Also, importers are accustomed to being offered flexible payment terms, particularly from neighboring trading partners like France, Germany, the Netherlands, the U.K., Switzerland, and (sometimes) Italy. Extended payment terms of 30, 60, 90 and even 120 days are not unusual, though the most common payment terms are net 30 days. However, Belgian businesses, like many in Europe, routinely delay payment even beyond the agreed upon terms. In Belgium, some 43 percent of all payments are not made on time, although 80 percent of delayed payments are made within 30 days of the original deadline. In short, 91 percent of all payments by Belgian businesses are made net 60 days. This is a better record than in Italy or the U.K., and equivalent to that of France and the Netherlands.

Since the use of credit is widespread, offering flexible credit terms can be important to winning sales contracts in Belgium. U.S. firms should consider offering flexible terms, provided that they are able and willing to provide such financing and have done a full credit check on the Belgian company. Even then, however, it is advisable to first try several shipments on a secured credit basis before moving to more lenient terms. There are several local credit agencies available, including Dun & Bradstreet and Graydon.

Import duties and value added tax (VAT) are applied to the CIF (Cost Insurance Freight) value of goods. The rate of import duties is the same as that applied by all EU countries. Since products coming from other EU members enter Belgian duty free, U.S. products often start off with an average 5-6 percent price disadvantage. By offering favorable credit terms, U.S. suppliers can help their importers offset a portion of that higher price.

### How Does the Banking System Operate

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#### *Overview*

Belgium is one of the most heavily banked countries in the world. It is home to some 104 banks, as well as numerous Brussels-based financial service providers like Swift, Euronext, and Euroclear. A Belgian “universal service” law obligates every bank to provide a minimum service package to any customer.

The Belgian National Bank, which on January 1, 1999 became a member of the European system of Central Banks based in Frankfurt, issues the Euro currency, acts as state banker, and intervenes as lender of last resort in credit operations. The most important tasks of the National Bank are managing interest rates on three-month Belgian treasury bills and maintaining the inter-bank electronic payment systems in order to ensure price stability and preserve the value of the Euro.

The Banking, Finance and Insurance Commission (CBFA) is the single supervisory authority for the Belgium financial sector. It was created January 1, 2004 as a result of the integration of the Insurance Supervisory Authority (ISA) into the Banking and Finance Commission (BFC). The autonomous public institution is charged with numerous supervisory tasks: it must supervise financial markets, private financial institutions (e.g. deposit banks, savings banks, finance companies, holding companies, and mutual funds), insurance companies, pension funds, intermediaries, and companies providing mortgage loans.

BEAMA and Febelfin are two other noteworthy financial sector organizations. The Belgian Asset Managers Association (BEAMA), founded on March 25, 2004, is made up of two smaller trade associations: the Belgian Association of Investment Funds and Companies (BAIFC) and the Belgian Association of Asset Managers and Investment Advisers (BAAMIA). Febelfin, founded March 28, 2003, is a federation of six financial industry trade associations: the Belgian Bankers Association (BBA), the Professional Union of Credit Providers (PUCP), the Belgian Association of Stock Exchange Members (BASEM), the Belgian Leasing Association (BLA), and the two members of BEAMA.

Three Belgian banks (Fortis Bank, Dexia, and KBC) rank among the top fifty banks worldwide, with all three also among the top thirty European banks. Each has a well-developed correspondent bank network in the U.S., as well as a local representative office in at least one major U.S. city. Thanks to the small number of restrictions, the availability of easy to use communication systems, and the widespread use of English, banking relationships with the U.S. and other countries are smooth. Belgian banks are very active in the Eurocurrency sector, as are the approximately 71 foreign banks established in Belgium, some of which have made such operations their principal activity. 2003, 2004 and 2005 saw a recovery in the Belgium financial sector after the difficult economic slowdown of the years 2001 and 2002. The Banking, Finance and Insurance Commission (CBFA) showed that the total net profit margin increased by 17.7% in the first semester of 2005. The banks realized an exceptional profit of 645,7 million EUR.

Belgium's banking market is among the most highly concentrated in the EU, with 83 percent of assets being handled by the top five banks. Domestically, the banks have seen a drift towards disintermediation, as corporate clients diversified into competing financial mechanisms for investment funds. Mortgage lending greatly strengthened in the past five years, rising 48 percent, however Belgian consumers remain low in terms of borrowing for consumption spending compared to other developed markets. Return on equity data place Belgian banks higher than the EU average.

## *Factors Affecting the Banking Climate*

In recent years, several trends have altered the banking climate considerably. First, since the 1990s, mergers and acquisitions have been a major feature of the Belgian banking sector. A clear result of this has been a decline in the number of Belgium banks and small bank offices. At the end of 1996, there were seven major Belgian banks (Générale de Banque, Kredietbank, Bank Brussels Lambert, Crédit Communal de Belgique, ASLK-CGER, Cera and Bacob). In the years since, all seven have been involved in various link-ups with other Belgium banks or with other financial institutions in the Netherlands and France. As a result of changes in ownership, there are now only five major Belgian banks (Fortis Bank, KBC Bank, ING, Dexia and AXA) that control 83% of the Belgian market.

At the same time that the number of Belgian banks has been decreasing, competitive pressures in Belgium are increasingly encouraging banks to seek growth outside the domestic market, most often in neighboring countries. The areas of operation favored for expansion are private banking and asset management. Dexia Bank and Fortis Bank have both built up their presence in Luxembourg, a center for “offshore” private banking, by acquiring shares of Banque Internationale à Luxembourg and Banque Generale du Luxembourg. Similarly, the former Artesia--now part of Dexia--has focused on developing private banking and asset management in France. For its part, ING (formerly Bank Brussels Lambert) has made use of its French subsidiary, BBL France, as a vehicle for growth abroad.

Second, the traditional role of the Belgian banks has changed so that banks are now financial advisors to their customers on a range of financial services and products, rather than simply financial intermediaries. Belgian banks today work with clients in areas as diverse as insurance, trading, stock options, investment funds, leasing, and the retail/property sector. The selling of bank insurance has long been important in Belgium, and it has allowed banks to diversify their incomes and increase customer loyalty. Institutions like Fortis Bank and KBC Bank are at the forefront of selling bank insurance today, and they have focused on selling life insurance products to their existing retail base. For the sake of comparison, it is interesting to note that U.S. banks in Belgium, with the exception of Citibank, still focus on corporate banking and treasury operations. (Citibank also operates retail-banking outlets and provides private investment services.)

Third, a growing preference is being shown for electronic and on-line banking as opposed to traditional banking options. Between mid-2000 and mid-2001, a multitude of banking initiatives were taken in the areas of electronic payments, electronic banking, and electronic and mobile commerce. Joint initiatives such as Banksys's Banxafe (secure internet payments) and the various mobile commerce projects undertaken are only a few of the results coming from this period. Belgium has seen a vast increase in the use of Mister Cash and Bankcontact bank machines, electronic transfer payments, debit cards such as the Proton electronic purse, and direct deposits or automatic transfers. Accordingly, the 2005 report of the Belgian Financial Federation (Febelfin) estimates that only 1.4% of financial payments were made by paper check, and 6.2% by electronic money, 11.2% by direct deposits or transfers, 36.1% by debit and credit cards, and 45.1 percent by electronic transfers. There are some 7300 automatic cash machines, in Belgium, as well as 4,180 bank branches equipped with self banking



machines. Despite the rise of paperless banking, the Belgian consumer continues to favor cash; the industry estimates that four of every five purchases remains in cash.

In general, the Belgian banking industry enjoys a strong international reputation, and it has developed an efficient and safe payment system that is often used as a model by other countries. Technology and know-how in the field of payment services can even be considered to be a Belgian export product in the case of services like Proton, IBAN, Isabel and Banksys. There is great interest abroad for new technologies such as the Proton electronic purse or the ISABEL (Interbank Standards Association Belgium) system, which is a secure network of 23 Belgian and international banks that enhances electronic commerce and plays the role of certification authority.

## Foreign-Exchange Controls

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There are no foreign exchange limitations on the transfer of capital or profits in Belgium, except in exceptional situations (e.g. as with UN sanctions. However, on June 15, 2004, the Belgian Parliament approved in principle a noteworthy measure known as the Tobin Tax. This new regulation will place a small tax on foreign exchange transactions. The approval is only symbolic and the tax will only be implemented if all the other member countries in the Euro Zone vote the tax law. Belgium has no foreign exchange problems, and the balance of payments situation is very healthy. Because of this, Belgium has no problems maintaining its extensive import program.

## U.S. Banks and Local Correspondent Banks

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List of Banks in Belgium with Correspondent U.S. Banking Arrangements:

FORTIS Group	Fortis Bank (Generale Bank + ASLK Bank)	Fortis Bank Asia HK
		Bank van De Post
		Belgolaise
		Private Banking
		Krediet aan de Nijverheid
<a href="#">DEXIA Group</a> <a href="#">(Gemeentekredit &amp; Cr�dit Local France)</a> <a href="#">&amp; ARCOFIN</a>	Dexia Bank (Dexia Bank + Artesia BC)	MeesPierson Fortis
		Bank Eural
		Banque Dr�zel
		BACOB
		Gesbanque
<a href="#">KBC Bank</a> <a href="#">&amp; Insurance Holding</a>	KBC Bank (Kredietbank + CERA + Bank van Roeselaere)	Landbouwkrediet (33 percent)
		Parfibank
		CBC Banque
		Centea (HSA Spaarkrediet)
		Antwerpse Diamantbank
<a href="#">ING Group</a>	BBL	Private Kas Bank
		Record Bank (De Vaderlandsche, DIPO,
		Record Bank, AGF Belgium Bank,
<a href="#">Group AXA</a>	AXA Bank Belgium (Anhyp + IPPA Bank)	Westkrediet)

#### FORTIS BANK

Internet: <http://www.fortis.com> and <http://www.informationbanking.fortisbank.com/>

Email: [info@fortisbank.com](mailto:info@fortisbank.com)

Contact: Mr Johan Van Gool - Sales Manager Global Trade Services - Tel : +32/2 2 565-82-48

Fortis is an international financial services provider active in the fields of insurance, banking and investment. With total assets of 739 billion EUR and roughly 56,382 employees, Fortis ranks as one of Europe's 20 largest financial institutions. In its home market, the Benelux countries, Fortis occupies a leading position and offers a broad range of financial services to individuals, companies and the public sector. Outside its home market, Fortis concentrates only on selected market segments.

Fortis grew in 1990 as a collaborative venture between two companies - AMEV/VSB, the first bank/insurance company in the Netherlands, and AG Group, Belgium's largest insurance company. It was the first cross-border merger in Europe's financial sector. Since its creation, the group has grown through the addition of more companies, such as ASLK-CGER, MeesPierson, John Alden, Generale de Banque and American Bankers Insurance Group, CORE, Intertrust Group, Von Essen KB Bankgesellschaft.

Fortis is listed on the exchanges of Amsterdam, Brussels and Luxembourg and has a sponsored ADR program in the United States. The bank has offices in New York, Stanford, Dallas, and Boston.

#### KBC

Website: <http://www.kbc.be>

Contact: Mr Leo Verhoeven, Expat advisor - Tel : 32/ 475 53 80 94

Email: [Leo.Verhoeven@kbc.be](mailto:Leo.Verhoeven@kbc.be)

The KBC Bank & Insurance Group was formed in June 1998 from the domestic merger of Kredietbank, a retail and corporate bank, CERA Bank, a co-operative bank, and ABB, a mutual insurance company. In legal terms, the KBC Bank & Insurance Group is made up of four companies: the KBC Bank and Insurance Holding Company, KBC Bank, KBC Insurance, and KBC Asset Management. In terms of operations, KBC focuses on five areas in which it focuses its activities: retail and private bank assurance, corporate services, asset management, market activities, and Central Europe. It has a market cap of an estimated 22 billion euros. The KBC Group also has a key position in Central Europe, its second home market. It invested in recent years over 3 billion Euro in Central European acquisitions, making it the largest financial institution in that region. The KBC Group employs 52, 000 people and serves around 11 million customers worldwide. In Central Europe, the Group offers its services via 1 000 bank branches, 3 400 points of sale in post offices, and many thousands of insurance agents.

KBC Bank, wholly owned by the KBC Bank and Insurance Holding Company, is the banking arm of the KBC Group. It is the majority shareholder of all the KBC Group companies that are involved in banking and other financial activities such as CBC Banque, Centea, Antwerpse Diamantbank and KBC Lease in Belgium, and CSOB, K&H, and Krediet Bank abroad. Whereas the banking group in Brussels, Flanders and the German-speaking area is active under the name KBC, in Wallonia it uses the name of

subsidiary, CBC. Antwerpse Diamantbank is the market leader in providing finance to the diamond sector. Centea caters to private persons, the self-employed, and the liberal professions, offering savings & investments products, loans & payment services, and insurance products.

The KBC Group also has branches in New York, Atlanta and Los Angeles.

ING Belgium SA/NV

Website: <https://promo.ing.be/expat/?LANG=EN>

Contact: Mr Luc Verbeken, Corporate Banking Expatriates - Tel: 32/2/547 24 73  
Expats (Direct Line) Tel : 32/2 464 6664

On April 22, 2003, after nearly 30 years under the BBL banner, ING became the new brand name for Bank Brussels Lambert. In early 1998, the ING Group took over BBL, and the resulting combination is a market leader in the Benelux. The ING Group legal structure consists of a holding company, ING Groep NV, which owns and controls two intermediate holding companies: ING Bank NV, which deals with all of the group's banking and financial service companies, and ING Verzekeringen NV, which controls the group's insurance operations.

ING is the number one financial services company in the Benelux home market. ING services its retail clients in these markets with a wide range of retail-banking, insurance and asset management. In wholesale banking activities, ING operates worldwide, but also with a primary focus on the Benelux countries. In the United States, ING is a top-5 provider of retirement services and life insurance. In Canada, ING is the top property and casualty insurer. ING Direct is a leading direct bank with over 11 million customers in nine large countries. In the growth markets of Asia, Central Europe and South America ING provides life insurance. ING is also a large asset manager with assets under management of almost 500 billion Euro.

ING's operations in the U.S. are based in Atlanta, but the bank has a network of approximately 10,000 associates in cities around the country such as Hartford, Minneapolis, Denver, Des Moines and Phoenix.

DEXIA

Internet: <http://www.dexia.be>,

Contact: Mr Marc Dalkin - Adjunct director corporate banking - Tel : +32/2 204 48 36

Dexia is the result of Europe's first cross-border merger of two banks, the 1996 joint venture between the Credit Communal of Belgium and the Crédit Local of France (called Dexia). The bank falls under the management of a French-Belgian executive committee. Dexia is present in most countries of the European Union, with a global market share of 16% in local finance, and in the United States with a market share of 24%.

Dexia is the recognized leader in project/public finance and in providing financial services for municipal and government bodies. Through its subsidiaries and affiliates, it is active in almost all EU countries, as well as in the United States. With its 2002 acquisition of Financial Security Assurance (FSA) in the United States, Dexia became a world leader in the municipal bond insurance market.

In terms of retail financial services, Dexia became one of the three largest banks in Belgium through its acquisition of Artesia Banking Corporation and of BACOB in 2001. Artesia had positioned itself as a bank for large and medium-sized companies, with a specific focus on family-owned businesses. BACOB traditionally targeted private individuals, the self-employed, and companies in the social sector such as schools, hospitals, institutes for the disabled, and socio-cultural organizations. The network that exists today provides individual customers and small businesses with retail banking services.

Due to its preeminent role in Luxembourg's financial market (through the Dexia Banque Internationale à Luxembourg) Dexia is one of the major players in Europe in providing financial services for high net worth individuals, private banking, asset management, and investment fund administration for third parties.

The bank is present in the U.S. through the Dexia Crédit Local New York Agency, the Financial Security Assurance and Dexia Global Structured Finance, all of which are located in New York and Washington.

AXA Bank Belgium NV  
Website: <http://www.axa.be>  
E-mail : [elly.bens@axa.be](mailto:elly.bens@axa.be)

Contact name : Mrs Elly Bens – Manager, Press Relations Tel : +32/2 678 64 67

Axa Bank was formed from the merger of the insurance company Royal Belge and of the French subsidiary of AXA Belgium in 1999, and the subsequent merger of the savings company IPPA and the mortgage insurance company Anhyp in 2000. AXA also includes Les Assurance de La Poste, an insurance company set up as a joint venture with the Belgium Post Office on a 50-50 basis. The main headquarters of the group are located in France. The bankpool is called Axa Bank Belgium or Axa Bank. The company focuses on asset management, retail bank/insurance and corporate solutions.

## **Project Financing**

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### ***Tendering for European public procurement contracts***

The U.S. Mission to the European Union in Brussels has developed a tool to help U.S.-based companies bid on public procurement supplies contracts in particular. All contracts for supplies that are procured by European public authorities (national government departments, regional agencies and public institutions, city authorities) above established thresholds are open to U.S.-based companies by virtue of the Government Procurement Agreement, of which the U.S. and the EU are parties. All the tenders in this database are based on a selection of tenders published in the EU Official Journal, that are open to GPA member countries. The database contains on average 6,000 to 10,000 tenders and is updated twice per week.

[http://www.buyusa.gov/europeanunion/eu\\_tenders.html](http://www.buyusa.gov/europeanunion/eu_tenders.html)

## Web Resources

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Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: [http://www.exim.gov/tools/country/country\\_limits.html](http://www.exim.gov/tools/country/country_limits.html)

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

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## Chapter 8: Business Travel

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### Business Customs

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Belgium has three national languages: Dutch (also referred to as Flemish), French, and German. English is spoken and understood throughout most of Belgium. In Flanders, the northern region of Belgium, Dutch is the predominant language while in Wallonia, the southern region, most people speak French. Residents in a small section of Belgium near Germany speak German as their primary language. Brussels, the center region, is officially bilingual, speaking both Dutch and French.

As in any other country, language is a crucial part of doing business in Belgium. Many documents must be filed in at least one of the three national languages. It would benefit companies to have personnel who speak one of the languages, or to seek the help of a professional translator.

### Travel Advisory

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Belgium remains a relatively safe country and the level of anti-American sentiment is low. By taking reasonable precautions, visitors should enjoy a peaceful stay. However, street thefts, purse snatching and pick pocketing do occur, especially at the main train stations in Brussels. The emergency numbers are as follows:

101: Police

100: Ambulance/Fire

112: General Emergency Number (Equivalent to 911 in the U.S.)

For more information, contact the U.S. Embassy Regional Security Office at 32/2/508-2370 or visit the U.S. Embassy in Belgium's website at [www.usembassy.be](http://www.usembassy.be).

Updated information regarding the security situation can be found on the State Department's Consular Information site at [www.travel.state.gov](http://www.travel.state.gov)

The Consular Information Sheet on Belgium gives information on security, medical facilities, road conditions, etc., and is available at [http://travel.state.gov/travel/cis\\_pa\\_tw/cis/cis\\_1044.html](http://travel.state.gov/travel/cis_pa_tw/cis/cis_1044.html).

### Currency and Credit Cards

Beginning January 2002, the Euro replaced the local currency (Belgium franc). Credit and charge cards (American Express, Diners, Euro card/MasterCard, Visa etc.) are widely accepted and ATM's are widely available.

## Visa Requirements

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U.S. citizens do not need a visa when they travel to Belgium for business or for personal travel for less than 90 days. The American visitor will need to present a valid American passport (valid for at least 6 months), proof of sufficient funds and a return airline ticket.

U.S. citizens wishing to reside in Belgium for employment purposes must obtain a residency visa that can only be issued upon the presentation of a work permit and supporting documents. The work permit is applied for and must be obtained by the employer in Belgium at the appropriate regional government office before the prospective employee enters Belgium.

Those who wish to be self-employed in Belgium must apply for a professional card.

For more information please visit the website of the Belgian Embassy in the United States at [www.diplobel.us](http://www.diplobel.us). Specialized lawyers in Belgium can assist in the process.

U.S. Companies that require travel of foreign businesspersons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

## Telecommunications

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Belgium has the highest broadband penetration in Europe. Increasingly, internet hotspots are becoming available in higher end business hotels rooms either as a courtesy or for fee. Internet café are on the increase and easy to find in Brussels as well as all major cities. The Belgian government does not censor the internet.

Cell phones operate on the GSM standard. Mobile phones may be rented at the airport for a business stay. Public phones operate on rechargeable cards obtainable at gas stations and newspaper shops. Calling cards using toll free numbers are compatible with public phones. Broadband mobile services (UMTS) are not available for SMEs or private persons.

## Transportation

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Transportation and communication links are excellent. International and local travel can be easily accomplished via a vast network of airports and train stations. Belgium provides a wide variety of media, offering the broadest selection of television channels in Europe. TV viewers currently have access to programs broadcast from seven different countries in Dutch, English, French, German, Spanish, and Italian. CNN and CNBC are also available on cable.

For further information, contact the Belgian Tourist Office, rue Marché aux Herbes 63, B-1000 Brussels. Tel: 32/2 504-03.90, [www.Belgium-tourism.net](http://www.Belgium-tourism.net) or consult <http://www.visitbelgium.com/>

## Language

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Belgium has three national languages: Dutch (also referred to as Flemish), French, and German. English is spoken and understood throughout most of Belgium. In Flanders, the northern region of Belgium, Dutch is the predominant language while in Wallonia, the southern region, most people speak French. Residents in a small section of Belgium near Germany speak German as their primary language. Brussels, the center region, is officially bilingual, speaking both Dutch and French.

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## Health

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For more information, see here:  
<http://www.usembassy.be/belgium/beltourism.htm> - Medical%20Information

## Local Time, Business Hours, and Holidays

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January 1	New Year
April 14	Good Friday
April 17	Easter Monday
May 1	Belgium Labor Day (observed for May 1)
May 25	Ascension Day
June 5	Whit Monday
July 21	Belgium Independence Day
August 15	Assumption Day
November 1	All Saints Day
November 11	Veterans Day
December 25	Christmas



## **Temporary Entry of Materials and Personal Belongings**

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For more information, see here:

<http://www.diplobel.us/TravelingBelgium/Customs.asp>

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[www.VisitBelgium.com](http://www.VisitBelgium.com)

<http://www.diplobel.us/>

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## Chapter 9: Contacts, Market Research, and Trade Events

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### Contacts

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Foreign Commercial Service Belgium:

Ms. Camille Sailer, Commercial Counselor: [www.buyusa.gov/belgium](http://www.buyusa.gov/belgium)

Regional Governments:

Ministry of the Walloon Region: [mrw.wallonie.be/mrw](http://mrw.wallonie.be/mrw)

Ministry of the Brussels Region-Brussels Capitol: [www.brussels.irisnet.be](http://www.brussels.irisnet.be)

Ministry of the Flemish Region: [www.vlaanderen.be](http://www.vlaanderen.be)

The Belgium Foreign Trade Board: <http://www.abh-ace.org/>

Belgium Export Promotion:

Walloon Export Agency (AWEX): <http://awex.wallonie.be>

Brussels Export: [www.brussels-export.irisnet.be](http://www.brussels-export.irisnet.be)

Flanders Investment & Trade (FIT): [www.investinlanders.com](http://www.investinlanders.com)

Foreign Investment Offices:

Office for Foreign Investors in Wallonia: <http://www.investinwallonia.be/ofi-belgium/>

Flanders Investment & Trade (FIT): [www.investinlanders.com](http://www.investinlanders.com)

Brussels Enterprise Agency (BEA): <http://www.abe-bao.be/>

American Chamber of Commerce Belgium: [www.amcham.be](http://www.amcham.be)

American Chamber of Commerce EU: [www.amchameu.be](http://www.amchameu.be)

Belgium Chambers of Commerce and Industry: [www.cci.be](http://www.cci.be)

Brussels Chamber of Commerce: [www.ccib.be](http://www.ccib.be)

Visit USA Marketing and Promotion Bureau: [www.visitusa.org](http://www.visitusa.org)

Belgium Trade and Industry Associations:

AGORIA (The Multisector Federation for the Technology Industry): [www.agoria.be](http://www.agoria.be)

Federation of Enterprises in Belgium (FEB): [www.vbo-feb.be](http://www.vbo-feb.be)

Belgium Bioindustries Association (BBA): [www.bba-bio.be](http://www.bba-bio.be)

Federation of Automotive Industry (FEBIAC): [www.febiac.be](http://www.febiac.be)

Federation of Belgium Chemical Industries (FEDICHEM): [www.fedichem.be](http://www.fedichem.be)

Federation Petroliere Belge: [www.petrofed.be](http://www.petrofed.be)

Federation of Textile Industry (FEBELTEX): [www.febeltex.be](http://www.febeltex.be)

Vlaams Economisch Verbond (VEV-Flemish Economic Union): [www.vev.be](http://www.vev.be)

Union Wallonne des Entreprises (Wallonian Enterprise Association): [www.uwe.be](http://www.uwe.be)

Export counseling:

The Ag Exporter Assistance: <http://www.fas.usda.gov/default.asp>

Trade Leads: [www.fas.usda.gov/agexport/tleadsinfo.html](http://www.fas.usda.gov/agexport/tleadsinfo.html).

Foreign Buyer Lists: [www.fas.usda.gov/agx/buying/foreignbuyers.htm](http://www.fas.usda.gov/agx/buying/foreignbuyers.htm).

Buyer Alert Programs and US Suppliers: [www.fas.usda.gov/agexport/bainfo.html](http://www.fas.usda.gov/agexport/bainfo.html).

## **Market Research**

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To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

## **Trade Events**

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Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

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## Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

<http://www.buyusa.gov/Belgium/en/>

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U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.